

NOTICE

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REQUEST FOR PROPOSAL
IS FOR
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PURPOSES ONLY.
**PROPOSALS ARE
NOT BEING REQUESTED
AT THIS TIME.**

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SECTION B - CONTRACT PRICING

B.1 CONTRACT TYPE

This is a FIRM FIXED PRICE CONTRACT for the requirements identified and described in Section C - Contract Terms and Conditions.

B.2 CONTRACT PRICING

CONTRACT LINE ITEM NUMBERS (CLINs) (SF-1449, BLOCKS 19-24)

CLINs	DESCRIPTION	FIRM FIXED PRICE
0001	ELECTRONIC TRANSCRIPT DELIVERY SYSTEM CONTRACT BASE PERIOD OF PERFORMANCE	\$ 0
0002	STATUS REPORT1	\$ 0
0003	STATISTICAL DATA ON DISCREPANCIES OF INCOME REPORTING	\$ 0
0004	STATISTICAL REPORT 2	\$ 0
0005	LOCATIONS OF HARDWARE/SOFTWARE	\$ 0
0006	STATISTICAL REPORT 3	\$ 0
	TOTAL CONTRACT PRICE	\$ 0

Note: A user fee, to be paid by the Contractor, may be charged at some point during the pilot (see C.1.2 [Scope]).

SECTION C - CONTRACT TERMS AND CONDITIONS

C.1 STATEMENT OF WORK – ADDENDUM TO FAR 52.212-4

C.1.1 Background

The mission of the IRS' Electronic Tax Administration office is to revolutionize how taxpayers transact and communicate with the IRS. Strategies to fulfill the mission include:

- Making electronic filing, payments, transactions and communications so simple, inexpensive, and trusted that taxpayers will prefer these to calling and mailing;
- Providing additional taxpayer access methods to products and services centering on electronic filing, payment, transaction, and communication products and services;
- Aggressively protecting transaction and information integrity and quality; and
- Seeking the best people, ideas and partners to assure IRS success.

In response to the IRS' Restructuring and Reform Act of 1998, the IRS has been tasked with increasing electronic communications and services to the public. One of the services the IRS provides is to respond to over six (6) million requests annually from taxpayers requesting copies of tax returns, return transcripts, verification of non-filing and W-2s. These requests are sent in to the IRS from the taxpayer using the Form 4506 (Attachment A). Of the six (6) million annual Form 4506 requests, approximately two (2) million are from taxpayers requesting that their tax information be sent to a "third-party" entity. Examples of third-party entities include tax practitioners, financial institutions, the mortgage industry, colleges/universities and local, state and federal government entities. The most frequent use of the tax information by these third parties is to provide income verification for loans, grants, subsidies or other benefit guarantees, while tax practitioners may be assisting taxpayers with tax return resolutions.

Chapter 61 of the Internal Revenue Code addresses the confidentiality and disclosure of returns and return information. Under Section 6103(e) (Disclosure of Persons Having Material Interest), a taxpayer has the right to obtain his/her tax return or any

return information held by the IRS that pertains to the taxpayer. Under Section 6103(c) (Disclosure of Returns and Return Information to Designee of Taxpayer), a taxpayer may designate a third-party recipient to receive his/her return or return information and may authorize the IRS to release that information to the third-party.

The IRS' Form 4506 "Request for Copy or Transcript of Tax Form" is the authorized return request and release form which implements disclosures under Sections 6103(c) or 6103(e) of the Internal Revenue Code. Currently, personnel in the IRS Service Centers' Return And Income Verification Services (RAIVS) provide tax return information to the requesting public in response to the incoming Form 4506. As stated above, approximately two (2) million of the requests are attributable to designated third-party requests. The mail-in (paper) process can take anywhere from seven (7) to ten (10) days to respond to the request. The IRS plans to develop a process to automate the paper process of the Form 4506 for third-party requests described in C.1.2 below.

C.1.2 Scope

The IRS plans to develop a program to electronically receive and process requests for disclosure of tax return information from a third-party entity designated by an individual taxpayer. The system would be known as the **Electronic Transcript Delivery System (ETDS)**. The purpose of this RFP is to solicit interest from private sector industries that are current high-volume business users of the information described in C.1.3 who are interested in participating in a pilot of the new system.

This pilot will be geographically limited to the state of California to maintain software support capability and reduce burden and cost to the Contractor for training. In addition, it will limit costs to the IRS in random reviews of system performance, security of information checks, observation of taxpayer processing and Contractor conformance to the terms and conditions of C.2 (Contract Requirements).

This RFP is open to all private sector businesses/firms in the following industries in the state of California who perform income verification for loans, grants or subsidies or who provide resolution to tax problems or issues:

	<u>Standard Industrial Classification Code</u>
Tax Practitioners	Industry Numbers 7291, 8721
Financial Institutions	Major Group 60
Mortgage Industries	Major Group 61
Credit Bureaus/Credit Reporting Services	Industry Number 7323

These industries comprise the largest volume of designated recipients on the Forms 4506 from taxpayers and will enable the IRS to pilot with a large audience to test ETDS in terms of customer satisfaction, system capacity and security, and ease of use.

The IRS has statutory authority to charge a user fee for reimbursement for electronic transcript delivery services and is currently developing a billing mechanism for electronic return transcripts to be provided by this system. This system will be used to recover the cost of delivering ETDS services. The fee will be paid by the Contractors. The IRS has not completed the costing of ETDS services, but the initial estimate is that the cost to the IRS, and the fee for ETDS services, will be in the range of \$15 per transcript; however, more detailed work is underway to determine the final cost. The IRS anticipates this will occur and the fee may be implemented at some point during the pilot. The IRS will notify the Contractors at least two months prior to the implementation of the fee.

The IRS anticipates that the system will require the Contractor to deposit funds in advance with a billing agent designated by the IRS. Billing will occur monthly via a draw-down account, established by the Contractor based on the anticipated volumes of requests. For example, if the fee is \$15/transcript and a Contractor anticipates 750 requests per month, the Contractor would deposit \$11,250 with the billing agent. The IRS may establish a minimum amount for deposit to ensure adequate funds exist up front to cover the billing fees. The billing agent will notify the Contractor if that minimum balance is being approached. The IRS will train all the Contractors on use of the billing module.

C.1.3 Description of the System

The Electronic Transcript Delivery System (ETDS) will be an electronic application of the transcript request portion of Form 4506 (Request for Copy or Transcript of Tax Form). The existing Form 4506 provides taxpayers the ease and convenience of accelerated income verification in the application of loans, grants or subsidies and to provide resolution to tax problems or issues. ETDS will reduce income verification processing from seven (7) to ten (10) days to within twenty-four (24) hours from receipt of request to return of the information. It will limit the amount of sensitive taxpayer data released by tailoring each template to the individual industry needs to process applications or assist with tax problem resolution.

A taxpayer requiring a loan, grant or subsidy or resolution to a tax issue will visit one of the Contractors to start the application process. ETDS would provide income verification (or notification of error code) within 24 hours of transmission to the IRS,

allowing accelerated consideration of the loan, grant or subsidy or resolution to a tax issue. The Contractor will require the taxpayer to provide satisfactory identification (explained in Section C.2 Contract Requirements) and will work with the taxpayer to complete the computerized ETDS Form. The taxpayer would authorize the Contractor to receive his/her tax return information. The request would then be transmitted to the IRS, to fulfill the request and return it to the designated recipient.

During the pilot, the IRS will periodically monitor usage of the system. The IRS will conduct random visits to the Contractor's office locations to ensure the terms and conditions of the RFP are being met. The IRS will retain the electronic requests obtained through the ETDS pilot for a period of seven years beyond the official end of the pilot and will destroy the records thereafter.

C.1.4 Mandatory Eligibility Requirements

In order to be eligible for a contract to be a Contractor in a pilot of ETDS, an Offeror responding to this RFP must:

- Be within one of the four (4) selected industry users (see C.1.2 above) of the Form 4506, an income verification process or a tax problem resolution process;
- Have offices (established as of January 1, 1998) which conduct business within the state of California;
- Have available (lease, purchase, own) hardware (see Attachment F) within fifteen (15) days after contract award;
- Make trainee(s) available for software training immediately after contract award.

C.1.5 Deliverable(s)

The Contractors will be required to provide written reports to the Contracting Officer's Technical Representative (COTR), throughout the duration of the ETDS pilot. The reports shall include but are not limited to the following:

- Written Report on the Locations of All Hardware/Software Housing ETDS-Provided Data (Attachment C)
- Status Reports (Attachment B) – Three reports, with first report covering the first thirty (30) days of the pilot; second report from thirty-one (31) days to one-hundred-twenty (120) days of the pilot; and a final report covering the final eight months of the pilot due within fifteen (15) days after the official conclusion of the pilot; and

- Statistical Data on Discrepancies of Income Reporting (Attachment D) -- covering the complete period of the pilot (from the first day to the official conclusion of the pilot) (Note: Not required of the Contractors providing resolution to tax issues)

The Contractor's completed Status Reports (Attachment B) will be used by the IRS to evaluate problems, determine any changes made during the pilot, evaluate lessons learned and to gather recommendations for improvement of the system. They include feedback from the taxpayers and the Contractor users, Contractor's installation of the hardware and software, quality of training, and usefulness of the User's Guide. The IRS will conduct a Taxpayer Satisfaction Survey (not included in this solicitation) with a sample of taxpayers who participated in the ETDS pilot.

The Statistical Data on Discrepancies of Income Reporting (Attachment D) will be used to evaluate the number of requests processed, the number of discrepancies from the information provided by the taxpayers and the number of loans, grants or subsidies that were declined based on the data provided by the ETDS pilot. This form will only be used by Contractors in the mortgage industry and financial institutions. This will help the IRS evaluate discrepancies between income reported by a taxpayer versus income stated on the ETDS Form. All information collected will be statistical in nature and will not identify individual taxpayers.

The Contractor will be required to provide a written notice (Taxpayer Notice Prior to Using ETDS Form [Attachment E]) to each taxpayer prior to their participation in the ETDS pilot. This written notice makes the taxpayer aware of their privacy interests and the purpose and scope of the ETDS pilot.

The IRS is finalizing the Status Reports (Attachment B), the Statistical Data on Discrepancies of Income Reporting (Attachment D) and the Taxpayer Notice Prior to Using ETDS Form (Attachment E). The finalized version of these documents will be provided by the IRS to the Contractor at the start of the pilot. All reports must be completed by the Contractor within the timeframes specified in C.1.5 (Deliverable[s]). The Contractor's responses to all reports are subject to inspection, verification and approval by the IRS. The Contractor must answer questions concerning their responses provided in reports or provide clarification on any item on the reports.

C.1.6 Period of Performance

The period of performance shall be from the contract award date through four hundred and twenty-seven (427) calendar days (one year for the pilot; two months for a training period), with an option to extend the term of the contract.

C.2 CONTRACT REQUIREMENTS

C.2.1 Legal Authority

A taxpayer may authorize the Service to disclose his/her return information to third parties pursuant to 26 United States Code (U.S.C.), Internal Revenue Code (IRC) Section (') 6103(c). The Contractor, in addition to the provisions specifically outlined below, agrees to comply with all relevant statutory, regulatory, and administrative requirements relating to the handling of "sensitive but unclassified" information. This includes all relevant statutory, regulatory, and administrative requirements found in the Consumer Reporting Reform Act of 1996 (15 U.S.C. ' ' 1681-1681u), that became effective in September 1997 and that amends the Fair Credit Reporting Act, (84 Statute 1136 [1970]). Parties also agree to comply with requirements as stated in the ETDS User's Guide, which will be provided at the time of Contractor training on the system.

The IRS is seeking an amendment to IRC Section (') 6103(c) which provides legal recourse for the taxpayer in instances where the taxpayer's tax information has been disclosed or misused in an unauthorized manner. This amendment (shown below) is being forwarded for approval and implementation by the Department of the Treasury and Congress.

"Confidentiality of Returns and Return Information:

(a) In GENERAL, Subsection 6103(c) of the Internal revenue Code of 1986 (relating to disclosure of returns and return information to designee of taxpayer) is amended—

- (1) by redesignating current Subsection 6103(c) as Paragraph (1) of Subsection 6103(c); and
- (2) by adding at the end of the following new paragraphs:

'(2) RESTRICTION ON DISCLOSURE AND USE OF RETURNS AND RETURN INFORMATION DISCLOSED TO DESIGNEE OF TAXPAYER. The return of any taxpayer, or return information with respect to such taxpayer, disclosed to a person or persons designated by the taxpayer

under paragraph (1) for a reason specified by the taxpayer in writing, may be disclosed or used by such person or persons only for the purpose of, and to the extent necessary in, accomplishing the reason for disclosure specified by the taxpayer and shall not be disclosed or used for any other reason.

(3) CROSS REFERENCE: For provision providing for civil damages for violation of paragraph (2), see Section 7431.'

- (b) Section 7431 of the Internal Revenue Code of 1986 (providing for civil damages for unauthorized disclosure of returns and return information is amended

(1) by adding at the end of the following new Subsection:

'(1) DISCLOSURE OR USE OF RETURNS AND RETURN INFORMATION OBTAINED UNDER SUBSECTION 6103(c): Disclosure or use of returns or return information obtained under Subsection 6103(c) other than for the purpose of, and to the extent necessary in, accomplishing the reason for disclosure specified by the taxpayer in writing, or (subject to the safeguards set forth in Section 6103(for purposes permitted under Section 6103, shall be treated as a violation of Subsection 6103(c).'

(c) EFFECTIVE DATE: The amendments made by this Section shall apply to taxpayer requests for disclosure of returns or return information under Subsection 6103(c) made by taxpayers after the date of the enactment of this Act, or October 1, 2000, whichever is later."

C.2.2 Justification/Anticipated Results

This is a pilot of the ETDS program that is designed to test the feasibility of transitioning the current Form 4506 (Request for Copy or Transcript of a Return) third-party requests from a paper-based process into an electronic environment. Currently, taxpayers complete a Form 4506 in order to authorize the IRS to release tax information to third parties. The completed form is submitted to the appropriate IRS service center, where IRS staff retrieves a transcript of the return(s) in question. The requested transcript is sent in its entirety to the taxpayer-designated third party and includes all of the (up to) 200+ lines of tax information transcribed from the original taxpayer's return. This retrieval process currently requires seven (7) to ten (10) days to complete; pre- and post-processing require additional time. The goal of ETDS is to compress this processing timeframe into 24 hours from time of request to response.

This accelerated response time will increase operating efficiency for both the IRS and its partners, and allow both improved taxpayer service and reduced operating costs.

C.2.3 Roles And Responsibilities

C.2.3.1 Contractor

The Contractor shall comply with all applicable statutes, regulations and other authority, as well as the requirements established by this RFP. The Contractor shall complete, submit, and retrieve ETDS requests electronically pursuant to the procedures described in C.1.3 and in the Hardware and Software Requirements (Attachment F), specifically at the behest of the taxpayer. Additionally, the Contractor shall adhere to the following provisions:

1. The Contractor shall use the ETDS information solely for the purpose for which it is being collected; i.e., to verify a taxpayer's income pursuant to their normal business loan, grant or subsidy application or tax issue resolution.
2. The Contractor shall demonstrate due diligence in establishing/validating a taxpayer's identity by a minimum of two (2) of the following methods:
 - (a) Current and valid driver's license with a good photographic likeness of the taxpayer;
 - (b) Taxpayer's work identification badge with a good photographic likeness of the taxpayer;
 - (c) Student college or university badge with a good photographic likeness of the taxpayer;
 - (d) Military identification badge with a good photographic likeness of the taxpayer;
 - (e) Birth certificate;
 - (f) Credit Card (preferably one with a good photographic likeness of the taxpayer);
 - (g) Other credentials which will firmly substantiate the identity of the taxpayer to the satisfaction of the Contractor (e.g., notarized affidavit).
3. In order to transmit requests to and obtain responses from the Fresno Service Center, each Contractor must provide a Hayes-compatible modem and use Z-modem protocol (Attachment F).
4. The participant shall pay all required software licensing fees and acquire all necessary hardware (Attachment F).
5. The Contractor shall establish and provide to the IRS the points of contact listed below in the format shown in Attachment C. One person may act as

- more than one POC if the Contractor can ensure adequate response and coverage of the responsibilities:
- (a) ETDS coordinator for all communications with the IRS' Project Management Office;
 - (b) ETDS operator for all password/transmission queries with the Fresno Service Center staff;
 - (c) ETDS technician for all technical queries with the Fresno Service Center staff
6. The Contractor shall agree to random visits by the IRS during the pilot to allow the IRS to observe the system in use by taxpayers (when possible), and to review the Contractor's procedures in maintaining confidentiality of the taxpayer's tax data provided by ETDS. The Contractor shall agree to random reviews of loan applications requiring ETDS-provided tax information.
7. In order to evaluate ETDS reliability and program participation, the Contractor shall complete Status Reports (Attachment B) as described in C.1.5 (Deliverable[s]). The Contractor shall provide descriptive reports outlining the ETDS system benefits and problems. These evaluative measures shall include a listing of systemic problems/issues as well as an estimate of both taxpayer and user satisfaction, of the amount of time the automated system saves, and of cost savings accruing to Contractor. Additionally, the Contractor shall provide, in narrative format, opinion of the adequacy of the data provided (i.e., how does ETDS impact risk analysis), the adequacy of IRS support, and the system's impact on loan determinations. A final Status Report shall be provided to the IRS within fifteen (15) working days of the official end of the ETDS pilot phase.

The Contractor shall protect access to ETDS and shall avoid unauthorized disclosure or misuse of information provided by the ETDS. The Contractor shall establish and require adherence to the following security procedures:

- 1. Configuration management procedures that ensure the integrity of the systems environment including adequate virus control mechanisms. Systems will be configured to C2 equivalent levels of security functionality.
- 2. Discretionary access mechanisms that ensure individual accountability through identification and authentication of each system user. The Contractor will adhere to all user registration and ID protection measures mandated by IRS remote access security requirements.
- 3. Controlled access protection mechanisms that prevent unauthorized access to current or residual data in memory or storage areas by non-ETDS systems.
- 4. Administrative security mechanisms that ensure appropriate password and

audit trail (ability to track the requests and disclosures) administration at the transaction processing level.

The Contractor shall acknowledge that the IRS will maintain a full record for up to seven (7) years of all transactions undertaken by the Contractor, including full audit trails of all attempted transactions. The Contractor also recognizes that during and after the pilot the IRS will conduct a large random sampling of taxpayers using ETDS to determine their satisfaction with the electronic transcript delivery process.

The Contractor shall agree to use ETDS software for no purpose other than to secure information to complete a ETDS, in response to the Contractor's normal processing of a loan, grant or subsidy or resolution of a tax issue and with the express signatory (electronic or otherwise) approval of the taxpayer. Additionally, the Contractor shall agree not to process an ETDS application under the ETDS program if:

1. The Contractor is unable to secure positive identification of the taxpayer for whom the information is requested;
2. The taxpayer is not available to electronically sign ETDS, or;
3. The information obtainable through ETDS fails to meet any of the requirements contained in the ETDS User's Guide (provided to the Contractor at the time of training), statutes, regulations, or other administrative pronouncements.

The Contractor shall demonstrate an understanding of the terms of this RFP and agree that the IRS may remove or discontinue said Contractor from the ETDS pilot (i.e., terminate contract) as well as initiate legal action, as appropriate, if:

1. The Contractor uses ETDS to obtain tax information for any purpose other than that specifically agreed upon in this RFP;
2. The Contractor demonstrates inappropriate or careless treatment and/or storage of taxpayer information provided by ETDS or allows secondary disclosure;
3. Contractor discusses or discloses (i.e., reselling or provision of) taxpayer information with any members of the Contractor's company, firm, business or person or any outside company, firm, business or person for any purpose outside the specific purpose for which the information is to be used in the processing of the loan, grant or subsidy or resolution of a tax issue;
4. The Contractor falsely represents a taxpayer's electronic signature (as provided for in 26 U.S.C. ' 6061);
5. The Contractor has failed to comply with the Fair Credit Reporting Act (FCRA) confidentiality standards relevant to a taxpayer for whom information

- was received through the ETDS system or the IRS becomes aware of a judgment against the Contractor in such cases; or,
6. Any member of the Contractor's staff attempts an inappropriate access to the Fresno Service Center or IRS systems while logged on to ETDS.

The Contractor shall protect access to ETDS and shall avoid unauthorized disclosure or misuse of information provided by the ETDS and shall establish and require adherence to the following security procedures:

1. Prior to User Identification (ID) card receipt, the Contractor shall register each User ID Smartcard to the assigned User by completing a Form 5081, Automated Information System (AIS) User Registration/Change Request (provided to the Contractor at time of contract award);
2. The Contractor shall assign only one User ID Smartcard per person;
3. The Contractor and authorized Users shall not share Personal Identification Numbers (PINs);
4. The Contractor's User ID card holders shall change password upon receipt of initial password and at least once every fifty-six (56) days thereafter;
5. The Contractor's User ID Smartcard holders shall make every reasonable effort to maintain security of ID cards and passwords; and
6. The Contractor shall notify the IRS immediately if the User ID Smartcard is lost or misplaced or if the employee assigned to use the ID card has been relieved of that responsibility (through reassignment, job change, retirement or other causes). If the User ID Smartcard holder is relieved of his/her access to ETDS, the Contractor shall return the ID Smartcard to the IRS within twenty-four (24) hours of relieving the employee of card privileges. The User ID Smartcards shall remain the property of the IRS and shall be surrendered immediately upon request from the IRS.

C.2.3.2 Internal Revenue Service (IRS)

The IRS shall make every effort to provide the Contractor with the specified tax return information within one working day of the authorizing form submission. Should the IRS be unable for whatever reason to deliver the information within this timeframe, the IRS will provide an explanation for inability to do so and an estimated time of response. In addition, pursuant to the terms of C.2.3.2.a below, the IRS will provide each Contractor:

1. ETDS software package(s), which allow(s) for transcript request preparation, electronic signature, and receiving, viewing, and printing of Service response; and

2. User ID Smartcard(s) and confidential access code(s).

Pursuant to the terms of Part IV, below, the IRS will provide all Contractor(s):

1. One (1) dedicated telephone number (NOTE: not a toll-free call) to access the Fresno Service Center ETDS Subsystem;
2. One (1) dedicated telephone number (NOTE: not a toll-free call) providing access to the Fresno Service Center help desk for general assistance;
3. One (1) paper copy of the ETDS Users Guide and one (1) electronic version, from which the Contractor may make additional copies as necessary;
4. A collection point for all completed password applications (i.e., forms will be provided at selection of Contractor);
5. Technical support to Contractor and Users for peripherals and software operation; and
6. Training to Contractor and Users on use of ETDS software.

Upon receipt of a properly completed, signed ETDS Form, the IRS will complete several internal validity and integrity checks. Upon successful completion of these checks, the IRS will disclose to the authorized Contractor taxpayer information specifically authorized by the taxpayer-signed electronic ETDS Form. The IRS may be unable to honor a request either in part or in whole as stated above, resulting in a reject condition being returned instead of the requested transcript information. Reject conditions are outlined in the ETDS User's Guide and will be used in responding to the request for information.

The IRS will not be responsible for any financial loss incurred by the Contractor, whether directly or indirectly, through the use of any data furnished pursuant to this RFP and the corresponding electronic ETDS.

C.2.3.2.a Loan Of Property

1. The property loaned to the Contractor shall remain the property of the IRS and all property, including ETDS software, shall be returned to the IRS at the end of the pilot. In the event participation in the ETDS pilot is terminated, equipment is to be returned within seven (7) calendar days of termination. The Contractor has no right, title, or interest in the property, and shall not

- transfer, sell, assign, sublicense, pledge, or otherwise dispose of, encumber, or suffer a lien or encumbrance upon, or against any interest in this property without the IRS' prior written consent.
2. All software and software documentation shall be used in accordance with the terms and conditions of the Software License Agreement entered into between the Contractor and the software provider. The Contractor shall respect the copyrights of all software and software documentation attached therewith.
 3. The Contractor shall use ETDS software solely for the purpose of completing the electronic Forms ETDS as part of the ETDS pilot and in the routine business requirements for income verification in processing a loan, grant or subsidy or resolution of a tax problem or issue. The ETDS software shall not be used by the Contractor to perform any other functions or tasks without the IRS' prior written consent.
 4. The Contractor shall exercise due care when using the property. The Contractor shall assume the risk of loss or damage to the property from the date of the receipt until it is returned to the IRS.
 5. The property supplied under this RFP is furnished "as is". The IRS disclaims, without limitation, all warranties specifically including, but not limited to, the implied warranties of merchantability and fitness for a particular purpose.
 6. The IRS shall not be liable for damages for loss of computer systems, data, use of products, or any incidental or consequential damages unless such damages result from the negligent conduct of an IRS employee.
 7. Reasonable packaging and shipping costs for returning the property to the IRS shall be borne by the IRS.
 8. The IRS and the Contractor shall maintain an accurate record of the location of the hardware and software units (Attachment C). Relocation or removal of the equipment from the agreed-upon location shall not occur without the IRS' prior written consent.

C.2.3.2.b Training

Training on use of the ETDS software (provided by the IRS for the pilot) will take place in Fresno, California. All Contractors must be able to attend the training prior to the start of the pilot and must bear the costs of travel, lodging and subsistence during the training in Fresno. Training will be conducted over a two (2) day period and will commence at 8:00 a.m. and conclude at 4:30 p.m. each day. Classes will be held to a maximum of twenty (20) persons per class. Travel by the Contractor must be outside that training window. The IRS will provide the training space and training books (ETDS Users Guide) to the Contractors.

**C.3 CONTRACT TERMS AND CONDITIONS -- COMMERCIAL ITEMS FAR
52.212-4 (MAY 1999) (TAILORED)**

(a) *Inspection/Acceptance.* The Contractor shall only tender for acceptance those items that conform to the requirements of this contract. The Government reserves the right to inspect or test any supplies or services that have been tendered for acceptance. The Government may require repair or replacement of nonconforming supplies or re-performance of nonconforming services at no increase in contract price. The Government must exercise its post-acceptance rights--

- (1) Within a reasonable time after the defect was discovered or should have been discovered; and
- (2) Before any substantial change occurs in the condition of the item, unless the change is due to the defect in the item.

(b) *Assignment.* The Contractor or its assignee's rights to be paid amounts due as a result of performance of this contract, may be assigned to a bank, trust company, or other financing institution, including any Federal lending agency in accordance with the Assignment of Claims Act (31 U.S.C. 3727).

(c) *Changes.* Changes in the terms and conditions of this contract may be made only by written agreement of the parties.

(d) *Disputes.* This contract is subject to the Contract Disputes Act of 1978, as amended (41 U.S.C. 601-613). Failure of the parties to this contract to reach agreement on any request for equitable adjustment, claim, appeal or action arising under or relating to this contract shall be a dispute to be resolved in accordance with the clause at FAR 52.233-1, Disputes, which is incorporated herein by reference. The Contractor shall proceed diligently with performance of this contract, pending final resolution of any dispute arising under the contract.

(e) *Definitions.* The clause at FAR 52.202-1, Definitions, is incorporated herein by reference.

(f) *Excusable delays.* The Contractor shall be liable for default unless nonperformance is caused by an occurrence beyond the reasonable control of the Contractor and without its fault or negligence such as, acts of God or the public enemy, acts of the Government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, unusually severe weather, and delays of common carriers. The Contractor shall notify the Contracting Officer in writing as soon as it is reasonably possible after the commencement of any excusable delay, setting forth the full particulars in connection therewith, shall remedy such occurrence with all reasonable dispatch, and shall promptly give written notice to the Contracting Officer of the cessation of such occurrence.

(g) *Invoice.* The Contractor shall submit an original invoice and three copies (or electronic invoice, if authorized,) to the address designated in the contract to receive

invoices. An invoice must include--

- (1) Name and address of the Contractor;
- (2) Invoice date;
- (3) Contract number, contract line item number and, if applicable, the order number;
- (4) Description, quantity, unit of measure, unit price and extended price of the items delivered;
- (5) Shipping number and date of shipment including the bill of lading number and weight of shipment if shipped on Government bill of lading;
- (6) Terms of any prompt payment discount offered;
- (7) Name and address of official to whom payment is to be sent; and
- (8) Name, title, and phone number of person to be notified in event of defective invoice.

Invoices will be handled in accordance with the Prompt Payment Act (31 U.S.C. 3903) and Office of Management and Budget (OMB) Circular A-125, Prompt Payment. Contractors are encouraged to assign an identification number to each invoice.

(h) *Patent indemnity.* The Contractor shall indemnify the Government and its officers, employees and agents against liability, including costs, for actual or alleged direct or contributory infringement of, or inducement to infringe, any United States or foreign patent, trademark or copyright, arising out of the performance of this contract, provided the Contractor is reasonably notified of such claims and proceedings.

(i) *Payment.* Payment shall be made for items accepted by the Government that have been delivered to the delivery destinations set forth in this contract. The Government will make payment in accordance with the Prompt Payment Act (31 U.S.C. 3903) and Office of Management and Budget (OMB) Circular A-125, Prompt Payment. If the Government makes payment by Electronic Funds Transfer (EFT), see 52.212-5(b) for the appropriate EFT clause. In connection with any discount offered for early payment, time shall be computed from the date of the invoice. For the purpose of computing the discount earned, payment shall be considered to have been made on the date which appears on the payment check or the specified payment date if an electronic funds transfer payment is made.

(j) *Risk of loss.* Unless the contract specifically provides otherwise, risk of loss or damage to the supplies provided under this contract shall remain with the Contractor until, and shall pass to the Government upon:

- (1) Delivery of the supplies to a carrier, if transportation is f.o.b. origin; or
- (2) Delivery of the supplies to the Government at the destination specified in the contract, if transportation is f.o.b. destination.

(k) *Taxes.* The contract price includes all applicable Federal, State, and local taxes and duties.

(l) *Termination for cause.* The Government may terminate this contract, or any part hereof, for cause in the event of any default by the Contractor, or if the Contractor

fails to comply with any contract terms and conditions, or fails to provide the Government, upon request, with adequate assurances of future performance. In the event of termination for cause, the Government shall not be liable to the Contractor for any amount for supplies or services not accepted, and the Contractor shall be liable to the Government for any and all rights and remedies provided by law. If it is determined that the Government improperly terminated this contract for default, such termination shall be deemed a termination for convenience.

(m) *Title*. Unless specified elsewhere in this contract, title to items furnished under this contract shall pass to the Government upon acceptance, regardless of when or where the Government takes physical possession.

(n) *Warranty*. The Contractor warrants and implies that the items delivered hereunder are merchantable and fit for use for the particular purpose described in this contract.

(o) *Limitation of liability*. Except as otherwise provided by an express or implied warranty, the Contractor will not be liable to the Government for consequential damages resulting from any defect or deficiencies in accepted items.

(p) *Other compliances*. The Contractor shall comply with all applicable Federal, State and local laws, executive orders, rules and regulations applicable to its performance under this contract.

(q) *Compliance with laws unique to Government contracts*. The Contractor agrees to comply with 31 U.S.C. 1352 relating to limitations on the use of appropriated funds to influence certain Federal contracts; 18 U.S.C. 431 relating to officials not to benefit; 40 U.S.C. 327, *et seq.*, Contract Work Hours and Safety Standards Act; 41 U.S.C. 51-58, Anti-Kickback Act of 1986; 41 U.S.C. 265 and 10 U.S.C. 2409 relating to whistleblower protections; 49 U.S.C. 40118, Fly American; and 41 U.S.C. 423 relating to procurement integrity.

(r) *Order of precedence*. Any inconsistencies in this solicitation or contract shall be resolved by giving precedence in the following order:

- (1) The schedule of supplies/services.
- (2) The Assignments, Disputes, Payments, Invoice, Other Compliances, and Compliance with Laws Unique to Government Contracts paragraphs of this clause.
- (3) The clause at 52.212-5.
- (4) Addenda to this solicitation or contract, including any license agreements for computer software.
- (5) Solicitation provisions if this is a solicitation.
- (6) Other paragraphs of this clause.
- (7) The Standard Form 1449.
- (8) Other documents, exhibits, and attachments.
- (9) The specification.

(End of clause)

C.4 AUTHORITY - CONTRACTING OFFICER, CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE AND CONTRACTOR'S PROJECT MANAGER

C.4.1 Contracting Officer

A Contracting Officer will be designated for each contract awarded under this solicitation. The name and telephone number will be provided at contract award.

The Contracting Officer, in accordance with Subpart 1.6 of the Federal Acquisition Regulation, is the only person authorized to make or approve any changes in any of the requirements of this contract, and notwithstanding any clauses contained elsewhere in this contract, the said authority remains solely with the Contracting Officer. In the event the Contractor makes any changes at the direction of any person other than the Contracting Officer, the change will be considered to have been made without authority and no adjustment will be made in the contract price to cover any cost incurred as a result thereof.

C.4.2 Contracting Officer's Technical Representative

A Contracting Officer's Technical Representative (COTR) will be designated for each contract awarded under this solicitation. The name and telephone number will be provided at contract award.

The COTR will represent the Contracting Officer in the administration of technical details within the scope of this contract. The COTR is also responsible for the final inspection and acceptance of all reports, and such other responsibilities as may be specified in the contract. The COTR is not otherwise authorized to make any representations or commitments of any kind on behalf of the Contracting Officer or the Government.

The COTR does not have authority to alter the Contractor's obligations or to change the contract specifications, price, terms or conditions. If, as a result of technical discussions, it is desirable to modify contract obligations or the statement of work, changes will be issued in writing and signed by the Contracting Officer.

The COTR assignment for this contract may be changed at any time by the Government without prior notice to the Contractor. The Contractor will be notified of the change.

C.4.3 Project Manager

The Contractor's designated Project Manager for this contract is to be named by the Contractor.

The Contractor shall provide a Project Manager for this contract who shall have the authority to make any no-cost contract, technical, hiring and dismissal decisions, or special arrangements regarding this contract. The Project Manager shall be responsible for the overall management and coordination of this contract and shall act as the central point of contact with the Government. The Project Manager shall have full authority to act for the Contractor in the performance of the required services. The Project Manager, or a designated representative, shall meet with the COTR to discuss problem areas as they occur. The Project Manager shall respond within four work hours after notification of the existence of a problem. The Project Manager shall be able to fluently read, write, and speak the English language.

C.5 CONTRACT CORRESPONDENCE

Notwithstanding the Contractor's responsibility for total management during the performance of this contract, the administration of the contract will require maximum coordination between the Government and the Contractor. To promote timely and effective administration, all correspondence pertaining to contractual or administrative matters under the contract shall be addressed to the assigned Administrative Contracting Officer.

C.6 DISCLOSURE OF INFORMATION--SAFEGUARDS (IRSAP 1052.224-9000) (JANUARY 1998)

In performance of this contract, the Contractor agrees to comply and assume responsibility for compliance by his/her employees with the following requirements:

- (1) All work shall be performed under the supervision of the Contractor or the Contractor's responsible employees.
- (2) Any return or return information made available shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of the contract. Inspection by or disclosure

to anyone other than an officer or employee of the Contractor shall require prior written approval of the Internal Revenue Service. Requests to make such inspections or disclosures should be addressed to the IRS Office of Disclosure through the IRS Contracting Officer.

(3) Should a person (Contractor or Subcontractor) or one of his/her employees make any unauthorized inspection(s) or disclosure(s) of confidential tax information, the terms of the Default clause (FAR 52.249-8), incorporated herein by reference, may be invoked, and the person (Contractor or Subcontractor) will be considered to be in breach of this contract.

C.7 DISCLOSURE OF "OFFICIAL USE ONLY" INFORMATION SAFEGUARDS (IRSAP 1052.224-9000(d) (DECEMBER 1988))

Any Treasury Department Information made available or to which access is provided, and which is marked or should be marked "Official Use Only", shall be used only for the purpose of carrying out the provisions of this contract and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of the contract. Disclosure to anyone other than an officer or employee of the Contractor or Subcontractor at any tier shall require prior written approval of the IRS. Requests to make such disclosure should be addressed to the IRS Contracting Officer.

(End of Clause)

C.8 DISCLOSURE OF INFORMATION--CRIMINAL/CIVIL SANCTIONS (IRSAP 1052.224-9001(a) (JANUARY 1998))

Each officer or employee of any person (Contractor or Subcontractor at any tier to whom returns or return information is or may be disclosed shall be notified in writing by the person (Contractor or Subcontractor) that returns or return information disclosed to such officer or employee can be used only for a purpose or to an extent unauthorized herein, and that further disclosure of any such returns or return information for a purpose or to an extent unauthorized herein constitutes a felony punishable upon conviction by a fine of as much as \$5,000 or imprisonment for as long as five years, or both, together with the costs of prosecution. Such person (Contractor or Subcontractor) shall also notify each such officer and employee that any such unauthorized future disclosure of returns or return information may also result in an \$1,000 which respect to each instance of unauthorized disclosure plus in the case of

willful award of civil damages against the officer or employee in an amount not less than disclosure or a disclosure which is the result of gross negligence, punitive damages, plus the cost of the action. These penalties are prescribed by IRC Sections 7213 and 7431 and set forth at 26 CFR 301.6103 (n).

(2) Each officer or employee of any person (Contractor or Subcontractor) to whom returns or return information is or may be disclosed shall be notified in writing by such person that any returns or return information made available in any format shall be used only for the purpose of carrying out the provisions of this contract and that inspection of any such returns and return information for a purpose or to an extent not authorized herein constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as \$1,000.00 or imprisonment for as long as 1 year, or both, together with the costs of prosecution. Such person (Contractor or Subcontractor) shall also notify each such officer and employee that any such unauthorized inspection or returns and return information may also result in an award of civil damages against the officer or employee in an amount equal to the sum of the greater of \$1,000.00 for each act of unauthorized inspection with respect to which such defendant is found liable or the sum of the actual damages sustained by the plaintiff as a result of such unauthorized inspection plus in the case of a willful inspection or an inspection which is the result of gross negligence, punitive damages, plus the costs of the action. The penalties are prescribed by IRC Sections 7213A and 7431.

(3) Additionally, it is incumbent upon the Contractor to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C 552a. Specifically, 5 U.S.C 552a (l) (1), which is made applicable to Contractors by 5 U.S.C. 552a (m) (1), provides that any officer or employee of a Contractor, who by virtue of his/her employment or official position, has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is so prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.

(End of Clause)

C.9 DISCLOSURE OF INFORMATION -- OFFICIAL USE ONLY (IRSAP 1052.224-9001 (b) (DECEMBER 1988)

Each officer or employee of the Contractor or Subcontractor at any tier to whom "Official Use Only" information may be made available or disclosed shall be notified in

writing by the Contractor that "Official Use Only" information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any such "Official Use Only" information, by any means, for a purpose or to an extent unauthorized herein, may subject the offender to criminal sanctions imposed by 18 U.S.C Sections 641 and 3571. Section 641 of 18 U.S.C provides, in pertinent part, that whoever knowingly converts to his use or the use of another, or without authority sells, conveys, or disposes of any record of the United States or whoever receives the same with the intent to convert it to his use or gain, knowing it to have been converted, shall be guilty of a crime punishable by a fine or imprisoned up to ten years or both.

(End of Clause)

**C.10 DISCLOSURE OF INFORMATION -- INSPECTION (IRSAP 1052.224-9002)
(DECEMBER 1988)**

The Internal Revenue Service shall have the right to send its officers and employees into the offices and plants of the Contractor for inspection of the facilities and operations provided for the performance of any work under this contract. On the basis of such inspection, the Contracting Officer may require specific measures in cases where the Contractor is found to be non-compliant with contract safeguards.

(End of Clause)

C.11 PUBLIC RELEASE OF INFORMATION

Offerors are invited to publicize and encourage the use of this system to the public as a means of accelerating income verification for use in evaluating loans, grants, subsidies and other monetary guarantees or for the resolution of tax problems or issues.

(1) The Contractor shall obtain the written permission of the Contracting Officer before releasing or using any information regarding the Contractor's selection for, or performance of work on, this contract. Information including, but not limited to, advertisements, unclassified speeches, articles, press releases, presentations, displays or demonstrations developed or proposed for release to the public must be submitted in their entirety to the Contracting Officer. The Contractor shall request, in writing, permission to release information describing the scope of the information to be released and the purpose for its release. This clause does not affect the Contractor's rights with regard to patents, which are

governed by the patent clauses of this contract. This clause shall apply to Subcontractors at any tier.

(2) The Contractor in publicizing its selection for, or its performance of work on, this contract shall not state or imply that the Government endorses or warrants its products or services. Information publicized shall clearly indicate that the taxpayer's decision to use any of the Contractor's products or services will not result in any special treatment from the Internal Revenue Service. This clause shall apply to Subcontractors at any tier.

C.12 IRSAP 1052.239-9002--YEAR 2000 WARRANTY--COMMERCIAL SUPPLY PRODUCTS (JULY 1997)

(1) The Contractor warrants that each hardware, software, and firmware product used in performance of contract namely, (Offeror shall fill in) shall be able to accurately process date data (including, but not limited to, calculating, comparing and sequencing) from, into, and between the twentieth and twenty-first centuries, including leap year calculations, when used in accordance with the product documentation provided by the Contractor, provided that all listed or unlisted products (e.g. hardware, software, firmware) used in combination with such listed product properly exchange date data with it. If the contract requires that specific listed products must perform as a system in accordance with the foregoing warranty, then that warranty shall apply to those listed products as a system. The duration of this warranty and the remedies available to the Government for breach of this warranty shall be as defined in, and subject to, the terms and limitations of the Contractor's standard commercial warranty or warranties contained in this contract, provided that notwithstanding any provision to the contrary in such commercial warranty or warranties, the remedies available to the Government under this warranty shall include repair or replacement of any listed product whose non-compliance is discovered and made known to the Contractor in writing within the time period consistent with this contract's Inspection clause. Nothing in this warranty shall be construed to limit any rights or remedies the Government may otherwise have under this contract with respect to defects other than Year 2000 performance.

C.13 ADDENDUM 1

C.13.1 FAR CLAUSES INCORPORATED BY REFERENCE

52.252-2 CLAUSES INCORPORATED BY REFERENCE (JUN 1988)

The contract will incorporate one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available.

FEDERAL ACQUISITION REGULATION (48 CFR CHAPTER 1) CLAUSES INCORPORATED BY REFERENCE

NUMBER	TITLE	DATE
52.203-3	GRATUITIES	APR 1984
52.209-6	PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT	JUL 1995
52.227-14	RIGHTS IN DATA – GENERAL (ALT III and IV)	JUN 1987

**C.14 CONTRACT TERMS AND CONDITIONS REQUIRED TO IMPLEMENT
STATUTES OR EXECUTIVE ORDERS -- COMMERCIAL ITEMS, FAR 52.212-5
(MAY 1999)**

(a) The Contractor agrees to comply with the following FAR clauses, which are incorporated in this contract by reference, to implement provisions of law or executive orders applicable to acquisitions of commercial items:

- (1) 52.222-3, Convict Labor (E.O. 11755); and
- (2) 52.233-3, Protest after Award (31 U.S.C 3553).

(b) The Contractor agrees to comply with the FAR clauses in this paragraph (b) which the contracting officer has indicated as being incorporated in this contract by reference to implement provisions of law or executive orders applicable to acquisitions of commercial items or components:

 X (1) 52.203-6, Restrictions on Subcontractor Sales to the Government, with Alternate I (41 U.S.C. 253g and 10 U.S.C. 2402).

 (2) 52.219-3, Notice of Total HUBZone Small Business Set-Aside (Jan 1999).

 (3) 52.219-4, Notice of Price Evaluation Preference for HUBZone Small Business Concerns (Jan 1999) (if the offeror elects to waive the preference, it shall so indicate in its offer).

 (4)(i) 52.219-5, Very Small Business Set-Aside (Pub. L. 103-403, section 304,

Small Business Reauthorization and Amendments Act of 1994).

___ (ii) Alternate I to 52.219-5.

___ (iii) Alternate II to 52.219-5.

X (5) 52.219-8, Utilization of Small Business Concerns (15 U.S.C. 637 (d)(2) and (3)).

___ (6) 52.219-9, Small Business Subcontracting Plan (15 U.S.C. 637(d)(4)).

___ (7) 52.219-14, Limitations on Subcontracting (15 U.S.C. 637(a)(14)).

___ (8)(i) 52.219-23, Notice of Price Evaluation Adjustment for Small Disadvantaged Business Concerns (Pub. L. 103-355, section 7102, and 10 U.S.C. 2323) (if the Offeror elects to waive the adjustment, it shall so indicate in its offer).

(ii)___ Alternate I of 52.219-23.

___ (9) 52.219-25, Small Disadvantaged Business Participation Program--Disadvantaged Status and Reporting (Pub. L. 103-355, section 7102, and 10 U.S.C. 2323).

X (10) 52.219-26, Small Disadvantaged Business Participation Program--Incentive Subcontracting (Pub. L. 103-355, section 7102, and 10 U.S.C. 2323).

___ (11) 52.222-21, Prohibition of Segregated Facilities (Feb 1999)

___ (12) 52.222-26, Equal Opportunity (E.O. 11246).

X (13) 52.222-35, Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era (38 U.S.C. 4212).

X (14) 52.222-36, Affirmative Action for Workers with Disabilities (29 U.S.C. 793).

X (15) 52.222-37, Employment Reports on Disabled Veterans and Veterans of the Vietnam Era (38 U.S.C. 4212).

___ (16) 52.225-3, Buy American Act--Supplies (41 U.S.C. 10).

___ (17) 52.225-9, Buy American Act--Trade Agreements Act--Balance of Payments Program (41 U.S.C. 10, 19 U.S.C. 2501-2582).

___ (18) [Reserved]

___ (19) 52.225-18, European Union Sanction for End Products (E.O. 12849).

___ (20) 52.225-19, European Union Sanction for Services (E.O. 12849).

___ (21)(i) 52.225-21, Buy American Act--North American Free Trade Agreement Implementation Act--Balance of Payments Program (41 U.S.C. 10, Pub. L. 103-187).

___ (ii) Alternate I of 52.225-21.

___ (22) 52.232-33, Payment by Electronic Funds Transfer--Central Contractor Registration (31 U.S.C. 3332).

___ (23) 52.232-34, Payment by Electronic Funds Transfer--Other than Central Contractor Registration (31 U.S.C. 3332).

___ (24) 52.232-36, Payment by Third Party (31 U.S.C. 3332).

X (25) 52.239-1, Privacy or Security Safeguards (5 U.S.C. 552a).

___ (26) 52.247-64, Preference for Privately Owned U.S.-Flag Commercial Vessels (46 U.S.C. 1241).

(c) The Contractor agrees to comply with the FAR clauses in this paragraph (c),

applicable to commercial services, which the Contracting Officer has indicated as being incorporated in this contract by reference to implement provisions of law or executive orders applicable to acquisitions of commercial items or components:

___ (1) 52.222-41, Service Contract Act of 1965, As Amended (41 U.S.C. 351, *et seq.*).

___ (2) 52.222-42, Statement of Equivalent Rates for Federal Hires (29 U.S.C. 206 and 41 U.S.C. 351, *et seq.*).

___ (3) 52.222-43, Fair Labor Standards Act and Service Contract Act--Price Adjustment (Multiple Year and Option Contracts) (29 U.S.C. 206 and 41 U.S.C. 351, *et seq.*).

___ (4) 52.222-44, Fair Labor Standards Act and Service Contract Act--Price Adjustment (29 U.S.C. 206 and 41 U.S.C. 351, *et seq.*).

___ (5) 52.222-47, SCA Minimum Wages and Fringe Benefits Applicable to Successor Contract Pursuant to Predecessor Contractor Collective Bargaining Agreement (CBA) (41 U.S.C. 351, *et seq.*).

(d) *Comptroller General Examination of Record.* The Contractor agrees to comply with the provisions of this paragraph (d) if this contract was awarded using other than sealed bid, is in excess of the simplified acquisition threshold, and does not contain the clause at 52.215-2, Audit and Records--Negotiation.

(1) The Comptroller General of the United States, or an authorized representative of the Comptroller General, shall have access to and right to examine any of the Contractor's directly pertinent records involving transactions related to this contract.

(2) The Contractor shall make available at its offices at all reasonable times the records, materials, and other evidence for examination, audit, or reproduction, until 3 years after final payment under this contract or for any shorter period specified in FAR Subpart 4.7, Contractor Records Retention, of the other clauses of this contract. If this contract is completely or partially terminated, the records relating to the work terminated shall be made available for 3 years after any resulting final termination settlement. Records relating to appeals under the disputes clause or to litigation or the settlement of claims arising under or relating to this contract shall be made available until such appeals, litigation, or claims are finally resolved.

(3) As used in this clause, records include books, documents, accounting procedures and practices, and other data, regardless of type and regardless of form. This does not require the Contractor to create or maintain any record that the Contractor does not maintain in the ordinary course of business or pursuant to a provision of law.

(e) Notwithstanding the requirements of the clauses in paragraphs (a), (b), (c) or (d) of this clause, the Contractor is not required to include any FAR clause, other than those listed below (and as may be required by an addenda to this paragraph to establish the reasonableness of prices under Part 15), in a subcontract for commercial

items or commercial components--

- (1) 52.222-26, Equal Opportunity (E.O. 11246);
- (2) 52.222-35, Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era (38 U.S.C. 4212);
- (3) 52.222-36, Affirmative Action for Workers with Disabilities (29 U.S.C. 793);
- and
- (4) 52.247-64, Preference for Privately-Owned U.S. Flag Commercial Vessels (46 U.S.C. 1241) (flow down not required for subcontracts awarded beginning May 1, 1996).

(End of clause)

C.15 Government Property (Fixed-Price Contracts) FAR 52.245-2 (Dec 1989)

(a) *Government-furnished property.* (1) The Government shall deliver to the Contractor, for use in connection with and under the terms of this contract, the Government-furnished property described in the Schedule or specifications together with any related data and information that the Contractor may request and is reasonably required for the intended use of the property (hereinafter referred to as "Government-furnished property").

(2) The delivery or performance dates for this contract are based upon the expectation that Government-furnished property suitable for use (except for property furnished "as is") will be delivered to the Contractor at the times stated in the Schedule or, if not so stated, in sufficient time to enable the Contractor to meet the contract's delivery or performance dates.

(3) If Government-furnished property is received by the Contractor in a condition not suitable for the intended use, the Contractor shall, upon receipt of it, notify the Contracting Officer, detailing the facts, and, as directed by the Contracting Officer and at Government expense, either repair, modify, return, or otherwise dispose of the property. After completing the directed action and upon written request of the Contractor, the Contracting Officer shall make an equitable adjustment as provided in paragraph (h) of this clause.

(4) If Government-furnished property is not delivered to the Contractor by the required time, the Contracting Officer shall, upon the Contractor's timely written request, make a determination of the delay, if any, caused the Contractor and shall make an equitable adjustment in accordance with paragraph (h) of this clause.

(b) *Changes in Government-furnished property.* (1) The Contracting Officer may, by written notice, (i) decrease the Government-furnished property provided or to be provided under this contract, or (ii) substitute other Government-furnished property for the property to be provided by the Government, or to be acquired by the Contractor for the Government, under this contract. The Contractor shall promptly take such action as the Contracting Officer may direct regarding the removal, shipment, or disposal of the

property covered by such notice.

(2) Upon the Contractor's written request, the Contracting Officer shall make an equitable adjustment to the contract in accordance with paragraph (h) of this clause, if the Government has agreed in the Schedule to make the property available for performing this contract and there is any--

(i) Decrease or substitution in this property pursuant to subparagraph (b)(1) of this clause; or

(ii) Withdrawal of authority to use this property, if provided under any other contract or lease.

(c) *Title in Government property.* (1) The Government shall retain title to all Government-furnished property.

(2) All Government-furnished property and all property acquired by the Contractor, title to which vests in the Government under this paragraph (collectively referred to as "Government property"), are subject to the provisions of this clause. However, special tooling accountable to this contract is subject to the provisions of the Special Tooling clause and is not subject to the provisions of this clause. Title to Government property shall not be affected by its incorporation into or attachment to any property not owned by the Government, nor shall Government property become a fixture or lose its identity as personal property by being attached to any real property.

(3) Title to each item of facilities and special test equipment acquired by the Contractor for the Government under this contract shall pass to and vest in the Government when its use in performing this contract commences or when the Government has paid for it, whichever is earlier, whether or not title previously vested in the Government.

(4) If this contract contains a provision directing the Contractor to purchase material for which the Government will reimburse the Contractor as a direct item of cost under this contract--

(i) Title to material purchased from a vendor shall pass to and vest in the Government upon the vendor's delivery of such material; and

(ii) Title to all other material shall pass to and vest in the Government upon--

(A) Issuance of the material for use in contract performance;

(B) Commencement of processing of the material or its use in contract performance; or

(C) Reimbursement of the cost of the material by the Government, whichever occurs first.

(d) *Use of Government property.* The Government property shall be used only for performing this contract, unless otherwise provided in this contract or approved by the Contracting Officer.

(e) *Property administration.* (1) The Contractor shall be responsible and accountable for all Government property provided under this contract and shall comply with Federal Acquisition Regulation (FAR) Subpart 45.5, as in effect on the date of this

(2) The Contractor shall establish and maintain a program for the use, maintenance, repair, protection, and preservation of Government property in accordance with sound industrial practice and the applicable provisions of Subpart 45.5 of the FAR.

(3) If damage occurs to Government property, the risk of which has been assumed by the Government under this contract, the Government shall replace the items or the Contractor shall make such repairs as the Government directs. However, if the Contractor cannot effect such repairs within the time required, the Contractor shall dispose of the property as directed by the Contracting Officer. When any property for which the Government is responsible is replaced or repaired, the Contracting Officer shall make an equitable adjustment in accordance with paragraph (h) of this clause.

(4) The Contractor represents that the contract price does not include any amount for repairs or replacement for which the Government is responsible. Repair or replacement of property for which the Contractor is responsible shall be accomplished by the Contractor at its own expense.

(f) *Access.* The Government and all its designees shall have access at all reasonable times to the premises in which any Government property is located for the purpose of inspecting the Government property.

(g) *Risk of loss.* Unless otherwise provided in this contract, the Contractor assumes the risk of, and shall be responsible for, any loss or destruction of, or damage to, Government property upon its delivery to the Contractor or upon passage of title to the Government under paragraph (c) of this clause. However, the Contractor is not responsible for reasonable wear and tear to Government property or for Government property properly consumed in performing this contract.

(h) *Equitable adjustment.* When this clause specifies an equitable adjustment, it shall be made to any affected contract provision in accordance with the procedures of the Changes clause. When appropriate, the Contracting Officer may initiate an equitable adjustment in favor of the Government. The right to an equitable adjustment shall be the Contractor's exclusive remedy. The Government shall not be liable to suit for breach of contract for--

(1) Any delay in delivery of Government-furnished property;

(2) Delivery of Government-furnished property in a condition not suitable for its intended use;

(3) A decrease in or substitution of Government-furnished property; or

(4) Failure to repair or replace Government property for which the Government is responsible.

(i) Final accounting and disposition of Government property. Upon completing this contract, or at such earlier dates as may be fixed by the Contracting Officer, the Contractor shall submit, in a form acceptable to the Contracting Officer, inventory schedules covering all items of Government property (including any resulting scrap) not

consumed in performing this contract or delivered to the Government. The Contractor shall prepare for shipment, deliver f.o.b. origin, or dispose of the Government property as may be directed or authorized by the Contracting Officer. The net proceeds of any such disposal shall be credited to the contract price or shall be paid to the Government as the Contracting Officer directs.

(j) *Abandonment and restoration of Contractor's premises.* Unless otherwise provided herein, the Government--

(1) May abandon any Government property in place, at which time all obligations of the Government regarding such abandoned property shall cease; and

(2) Has no obligation to restore or rehabilitate the Contractor's premises under any circumstances (e.g., abandonment, disposition upon completion of need, or upon contract completion). However, if the Government-furnished property (listed in the Schedule or specifications) is withdrawn or is unsuitable for the intended use, or if other Government property is substituted, then the equitable adjustment under paragraph (h) of this clause may properly include restoration or rehabilitation costs.

(k) *Communications.* All communications under this clause shall be in writing.

(l) *Overseas contracts.* If this contract is to be performed outside of the United States of America, its territories, or possessions, the words "Government" and "Government-furnished" (wherever they appear in this clause) shall be construed as "United States Government" and "United States Government-furnished," respectively.

(End of clause)

SECTION E - SOLICITATION PROVISIONS

E.1 FAR 52.212-1 INSTRUCTIONS TO OFFERORS -- COMMERCIAL ITEMS (AUG 1998) (TAILORED)

(a) Standard industrial classification (SIC) code and small business size standard. The SIC code and small business size standard for this acquisition appear in Block 10 of the solicitation cover sheet (SF-1449). [Note: SF-1449 will be included in the final RFP.] However, the small business size standard for a concern which submits an offer in its own name, but which proposes to furnish an item which it did not itself manufacture, is 500 employees.

(b) Submission of offers. Submit signed and dated proposals in an original and five paper copies to the Contracting Officer at the address and location specified in block 9 of the SF-1449. All proposals shall be delivered no later than the date and time specified in Block 8 of the SF-1449. Any change in the date and time will be stated in an Amendment to the Solicitation issued with a Standard Form 30. All Offerors are asked to notify the individual shown in Block 7a of the SF-1449 at least 24 hours in advance of their planned delivery time. Offers may be submitted on the SF-1449 or on the Offeror's letterhead stationery. As a minimum, offers must be sealed and show--

- (1) The solicitation number both on the external envelope and on the documents enclosed;
- (2) The time and date specified in the solicitation for receipt of offers both on the external envelope and on the documents enclosed;
- (3) The name, address, and telephone number of the Offeror;
- (4) Terms of any applicable express warranty;
- (5) "Remit to" address, if different than mailing address;
- (6) A completed copy of the representations and certifications at FAR 52.212-3;
- (7) Acknowledgment of any Solicitation Amendments;

- (8) Past performance information, when included as an evaluation factor, to include recent and relevant contracts for the same or similar items and other references; and
 - (9) If the offer is not submitted on the SF-1449, include a statement specifying the extent of agreement with all contract terms, conditions, and requirements included in the solicitation. Offers that fail to furnish required representations or information, or reject the contract terms, conditions, and requirements may be excluded from consideration.
- (c) Period for acceptance of offers. The Offeror agrees to hold its offer firm for 180 calendar days from the date specified for receipt of offers, unless another time period is specified in an addendum to the solicitation.
- (d) Multiple offers. Offerors may submit more than one offer.
- (e) Late offers. Offers or modifications of offers received at the address specified for the receipt of offers after the exact time specified for receipt of offers will not be considered.
- (f) Contract award (not applicable to Invitation for Bids). The Government intends to evaluate offers and award a contract without discussions with Offerors. Therefore, the Offeror's initial offer should contain the Offeror's best terms possible. However, the Government reserves the right to conduct discussions if later determined by the Contracting Officer to be necessary. The Government may reject any or all offers if such action is in the public interest and waive informalities and minor irregularities in offers received.
- (g) Multiple awards. The Government at its discretion may award one or more contract(s) as a result of this solicitation.

(End of provision)

E.2 ADDENDUM TO FAR 52.212-1

E.2.1 INQUIRIES AND COMMUNICATIONS

(a) Questions requesting interpretation of the RFP and contract requirements shall be submitted in writing to the address below. You are encouraged to send requests by electronic mail, address: michelle.lane@ccmail.irs.gov, or by faxing your request to the Contracting Officer at (202) 283-1534.

Michelle Lane, Contracting Officer
Internal Revenue Service M:P:I:D
Room 700, Constellation Centre
6009 Oxon Hill Road
Oxon Hill, MD 20745

(b) No interpretations of the RFP and contract requirements will be provided in response to telephone calls. All such requests must be made in writing and faxed or mailed to the respective fax number or address above. The Contracting Officer must receive this correspondence no later than ten days after the issuance of the FINAL RFP. The Government may not respond to requests received after that date. Please refer to the specific text of the RFP in the following format:

Subject: RFP No. TIRNO-99-R-00035, Electronic Transcript Delivery System
Pilots, Reference: RFP Section __, Paragraph(s) __, Page(s) __.

E.2.2 SERVICE OF PROTEST (52.233-2) (AUG 1996)

(a) Protests, as defined in Section 33.101 of the Federal Acquisition Regulation, that are filed directly with an agency, and copies of any protests that are filed with the General Accounting Office (GAO), shall be served on the Contracting Officer (addressed as follows) by obtaining written and dated acknowledgment of receipt from:

Michelle Lane, Contracting Officer
Internal Revenue Service M:P:I:D
Room 700, Constellation Centre
6009 Oxon Hill Road
Oxon Hill, MD 20745

Hand-carried protests shall be delivered to the same address above.

(b) A copy of any protest to the GAO shall be received in the office designated above within one day of filing a protest with the GAO.

E.2.3 ADDITIONAL PROPOSAL PREPARATION INSTRUCTIONS

All proposals submitted in response to this RFP shall be submitted in the form of a narrative. The format for the narrative is as follows:

Introduction

- Briefly describe your understanding of the objective and scope of the RFP.
- Briefly describe your understanding of the description of the system.
- Address the RFP's Mandatory Eligibility Requirements (See C.1.4).
- Include point of contact (POC) information (name, address, phone number, e-mail address and fax number) for discussion and negotiation of your proposal. The point of contact shall have decision-making (commitment) authority for the Offeror.

Pilot Description of Proposed Contract

- Describe the quantifiable electronic tax administration benefits to the IRS you are proposing to be selected as a Contractor. These can include provision of free electronic filing to your employees (state number of employees), initiation of electronic filing of information returns (1098s, 1099s, etc.) (estimate annual volume), initiation of electronic payments (state estimated number and annual amount of tax/deposits obligations) and other initiatives which will provide electronic improvements in doing business with the IRS.
- Describe the attention that will be given to this project, the resources you will allocate and your plan for managing and implementing the program.
- Include POC information (if different than above) for management of your performance of the contract. Describe the POC's scope of authority and the resources available to the POC for ensuring the performance of the contract.
- Describe any taxpayer burden that would result from your participation in this pilot (e.g., a fee charged to the taxpayer for accelerated processing of the loan information, necessity for both loan taxpayers to visit your offices to complete the electronic form, etc.).
- Describe the safeguards you plan to implement to ensure taxpayer data derived from the ETDS system will be maintained in a secure environment as described in C.2 Contract Requirements.
- Demonstrate evidence of a sound and methodological approach to measuring the

benefits of the system.

- Describe the Contractor and IRS duties, responsibilities and milestones (written reports)
- Describe the impact on the enhanced electronic filing plans (increase in or initiation of electronic payments, increase in or initiation of electronic filing of information returns, increase in or initiation of free electronic filing, provision of other novel, far-reaching methods of increasing electronic provision of services).
- Describe the impact on taxpayer burden (will the program decrease taxpayer time to complete forms, provide additional information or resolve tax issues; will the program increase taxpayer time required to complete forms, provide additional information or resolve tax issues; will the program decrease taxpayer cost for processing application forms or resolving tax issues; will the program increase taxpayer cost for processing application forms or resolving tax issues; will the program increase or decrease loan, grant or subsidy application processing time, cost or interest rate; will the program decrease taxpayer's timeframes, costs or interest rates in receiving a mortgage or resolving a tax issue; will the program increase taxpayer's timeframes, costs or interest rates in receiving a mortgage or resolving a tax issue; will the program increase the convenience to a taxpayer to receive a loan, grant or subsidy or resolve a tax issue; will the program decrease the convenience to a taxpayer to receive a loan, grant or subsidy or resolve a tax issue; will the program increase taxpayer confidence in providing confidential tax information to the Contractor; and will the program decrease taxpayer confidence in providing confidential tax information to the Contractor).

E.2.4 OTHER MANDATORY REQUIREMENTS AND CONTRACT TERMS AND CONDITIONS

The Offeror shall indicate its acceptance of each mandatory requirement and term and conditions of the solicitation.

E.3 EVALUATION FACTORS FOR AWARD

E.3.1 EVALUATION - COMMERCIAL ITEMS (OCT 1995)

To be considered responsive to the solicitation and acceptable for evaluation, proposals shall: (1) comply with the definition of "commercial item" in FAR 2.101 (see Attachment G); (2) comply with the scope described in Section C.1.2; that is, offer to participate in a pilot of the electronic transcript delivery system; (3) agree to the deliverables stated in Section C.1.5 and to the applicable contract requirements stated

in Section C.2; (4) agree to the contract terms and conditions stated in Sections C.3 through C.14; and (5) be in compliance with the instructions identified as “Additional Proposal Preparation Instructions” stated in E.2.3.

A written notice of award or acceptance of an offer, mailed or otherwise furnished to the successful Offeror within the time for acceptance specified in the offer, shall result in a binding contract without further action by either party. Before the offer's specified expiration time, the Government may accept an offer (or part of an offer), whether or not there are negotiations after its receipt, unless a written notice of withdrawal is received before award.

E.3.2 EVALUATION PROCESS

The Offerors' proposals will be evaluated using the process described below.

Step 1 entails a determination of:

- (1) the Offeror's adherence and understanding of the scope of the RFP (see C.1.2);
- (2) the Offeror's understanding of the description of the system (C.1.3); and
- (3) the Offeror's compliance to the mandatory eligibility requirements (see C.1.4)
- (4) the Offeror's compliance to the deliverables (C.1.5).

The IRS will make this determination on a pass/fail basis.

Step 2

The IRS will evaluate proposals using the evaluation factors below:

Factor 1 – Impact on Offeror (30 points):

- Does the Offeror describe adequate physical safeguards for the integrity of the hardware and taxpayer data derived therefrom?
- Does the Offeror demonstrate evidence of a sound and methodical approach to measuring the benefits of the system?
- Does the Offeror promise appropriate management attention and resources?
- Are duties, responsibilities, and milestones (written reports) clearly understood and stated for both the Offeror and the IRS? Are they achievable?

Factor 2 - Impact on enhanced electronic filing plans, i.e., are there positive impacts on any of the following (30 points):

- Increase in or initiation of electronic payments?
- Increase in or initiation of electronic filing of information returns?
- Increase in or initiation of free electronic filing?
- Has the Offer provided other novel, far-reaching methods of increasing electronic provision of services?

Factor 3 - Impact on Taxpayer Burden, i.e., does the proposal demonstrate a reduction or an increase in any of the following (40 points):

- Taxpayer time?
 - Will the program decrease taxpayer time to complete forms, provide additional information or resolve tax issues?
 - Will the program increase taxpayer time required to complete forms, provide additional information or resolve tax issues?
- Taxpayer cost?
 - Will the program decrease taxpayer cost for processing application forms or resolving tax issues?
 - Will the program increase taxpayer cost for processing application forms or resolving tax issues?
- Loan, grant or subsidy application processing time, cost or interest rate?
 - Will the program decrease taxpayer's timeframes, costs or interest rates in receiving a mortgage or resolving a tax issue?
 - Will the program increase taxpayer's timeframes, costs or interest rates in receiving a mortgage or resolving a tax issue?
- Taxpayer convenience?
 - Will the program increase the convenience to a taxpayer to receive a loan, grant or subsidy or resolve a tax issue?
 - Will the program decrease the convenience to a taxpayer to receive a loan, grant or subsidy or resolve a tax issue?
- Taxpayer understanding of the system operation?
 - Will the program increase taxpayer confidence in providing confidential tax information to the Contractor?
 - Will the program decrease taxpayer confidence in providing confidential tax information to the Contractor?

Empirical data is needed as evidence to support claims on burden/time reduction to taxpayers, if possible.

The IRS may communicate to the Offeror any uncertainties that are found in the proposal. Offerors may be required to meet or have a teleconference with IRS officials and participate in a question and answer session. Question and answer sessions will

not be used to cure significant omissions in the proposal, materially alter the proposal, or otherwise elicit significant revisions to the proposal. Any proposals whose narratives contain significant omissions or ambiguities will no longer be considered.

Step 3

The ten (10) highest-scored proposals as determined by the step 2 process will be selected as Contractors for the ETDS pilot. Each Contractor will be allowed up to ten (10) satellite or peripheral processing sites (100 users in total).

E.4 OFFEROR REPRESENTATIONS AND CERTIFICATIONS COMMERCIAL ITEMS - FAR 52.212-3 (JUN 1999)

(a) *Definitions.* As used in this provision:

"Emerging small business" means a small business concern whose size is no greater than 50 percent of the numerical size standard for the standard industrial classification code designated.

"Small business concern" means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts, and qualified as a small business under the criteria in 13 CFR part 121 and size standards in this solicitation.

"Women-owned small business concern" means a small business concern—

(1) Which is at least 51 percent owned by one or more women or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more women; and

(2) Whose management and daily business operations are controlled by one or more women.

"Women-owned business concern" means a concern which is at least 51 percent owned by one or more women; or in the case of any publicly owned business, at least 51 percent of its stock is owned by one or more women; and whose management and daily business operations are controlled by one or more women.

(b) *Taxpayer Identification Number (TIN) (26 U.S.C. 6109, 31 U.S.C. 7701).* (Not applicable if the Offeror is required to provide this information to a central Contractor registration database to be eligible for award.)

(1) All Offerors must submit the information required in paragraphs (b)(3)

through (b)(5) of this provision to comply with debt collection requirements of 31 U.S.C. 7701(c) and 3325(d), reporting requirements of 26 U.S.C. 6041, 6041A, and 6050M, and implementing regulations issued by the Internal Revenue Service (IRS).

(2) The TIN may be used by the Government to collect and report on any delinquent amounts arising out of the Offeror's relationship with the Government (31 U.S.C. 7701(c)(3)). If the resulting contract is subject to the payment reporting requirements described in FAR 4.904, the TIN provided hereunder may be matched with IRS records to verify the accuracy of the Offeror's TIN.

(3) *Taxpayer Identification Number (TIN).*

/ ☐ / TIN: _____.

/ ☐ / TIN has been applied for.

/ ☐ / TIN is not required because:

/ ☐ / Offeror is a nonresident alien, foreign corporation, or foreign partnership that does not have income effectively connected with the conduct of a trade or business in the United States and does not have an office or place of business or a fiscal paying agent in the United States;

/ ☐ / Offeror is an agency or instrumentality of a foreign government;

/ ☐ / Offeror is an agency or instrumentality of the Federal Government.

(4) *Type of organization.*

/ ☐ / Sole proprietorship;

/ ☐ / Partnership;

/ ☐ / Corporate entity (not tax-exempt);

/ ☐ / Corporate entity (tax-exempt);

/ ☐ / Government entity (Federal, State, or local);

/ ☐ / Foreign government;

/ ☐ / International organization per 26 CFR 1.6049-4;

/ ☐ / Other _____.

(5) *Common parent.*

/ ☐ / Offeror is not owned or controlled by a common parent;

/ ☐ / Name and TIN of common parent:

Name _____.

TIN _____.

(c) Offerors must complete the following representations when the resulting contract is to be performed inside the United States, its territories or possessions, Puerto Rico, the Trust Territory of the Pacific Islands, or the District of Columbia. Check all that apply.

(1) *Small business concern.* The Offeror represents as part of its offer that it / ☐ is, / ☐ is not a small business concern.

(2) *Small disadvantaged business concern.* [Complete only if the Offeror

represented itself as a small business concern in paragraph (c)(1) of this provision.] The Offeror represents, for general statistical purposes, that it / _/ is, / _/ is not a small disadvantaged business concern as defined in 13 CFR 124.1002.

(3) *Women-owned small business concern.* [Complete only if the Offeror represented itself as a small business concern in paragraph (c)(1) of this provision.] The Offeror represents that it / _/ is, / _/ is not a women-owned small business concern. Note: Complete paragraphs (c)(4) and (c)(5) only if this solicitation is expected to exceed the simplified acquisition threshold.

(4) *Women-owned business concern (other than small business concern).* [Complete only if the Offeror is a women-owned business concern and did not represent itself as a small business concern in paragraph (c)(1) of this provision.] The Offeror represents that it / _/ is a women-owned business concern.

(5) *Tie bid priority for labor surplus area concerns.* If this is an invitation for bid, small business Offerors may identify the labor surplus areas in which costs to be incurred on account of manufacturing or production (by Offeror or first-tier Subcontractors) amount to more than 50 percent of the contract price:

(6) *Small Business Size for the Small Business Competitiveness Demonstration Program and for the Targeted Industry Categories under the Small Business Competitiveness Demonstration Program.* [Complete only if the offeror has represented itself to be a small business concern under the size standards for this solicitation.]

(i) [Complete only for solicitations indicated in an addendum as being set-aside for emerging small businesses in one of the four designated industry groups (DIGs).] The Offeror represents as part of its offer that it * is, * is not an emerging small business.

(ii) [Complete only for solicitations indicated in an addendum as being for one of the targeted industry categories (TICs) or four designated industry groups (DIGs).] Offeror represents as follows:

(A) Offeror's number of employees for the past 12 months (check the Employees column if size standard stated in the solicitation is expressed in terms of number of employees); or

(B) Offeror's average annual gross revenue for the last 3 fiscal years (check the Average Annual Gross Number of Revenues column if size standard stated in the solicitation is expressed in terms of annual receipts).

(Check one of the following):

Number of Employees	Average Annual Gross Revenues
_____ 50 or fewer	_____ \$1 million or less

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_____ 51 - 100	_____ \$1,000,001 - \$2 million
_____ 101 - 250	_____ \$2,000,001 - \$3.5 million
_____ 251 - 500	_____ \$3,500,001 - \$5 million
_____ 501 - 750	_____ \$5,000,001 - \$10 million
_____ 751 - 1,000	_____ \$10,000,001 - \$17 million
_____ Over 1,000	_____ Over \$17 million

(7) *[Complete only if the solicitation contains the clause at FAR 52.219-23, Notice of Price Evaluation Adjustment for Small Disadvantaged Business Concerns, or FAR 52.219-25, Small Disadvantaged Business Participation Program--Disadvantaged Status and Reporting, and the Offeror desires a benefit based on its disadvantaged status.]*

(i) *General.* The Offeror represents that either--

(A) It / / is, / / is not certified by the Small Business Administration as a small disadvantaged business concern and is listed, on the date of this representation, on the register of small disadvantaged business concerns maintained by the Small Business Administration, and that no material change in disadvantaged ownership and control has occurred since its certification, and, where the concern is owned by one or more individuals claiming disadvantaged status, the net worth of each individual upon whom the certification is based does not exceed \$750,000 after taking into account the applicable exclusions set forth at 13 CFR 124.104(c)(2); or

(B) It / / has, / / has not submitted a completed application to the Small Business Administration or a Private Certifier to be certified as a small disadvantaged business concern in accordance with 13 CFR 124, Subpart B, and a decision on that application is pending, and that no material change in disadvantaged ownership and control has occurred since its application was submitted.

(ii) *Joint Ventures under the Price Evaluation Adjustment for Small Disadvantaged Business Concerns.* The Offeror represents, as part of its offer, that it is a joint venture that complies with the requirements in 13 CFR 124.1002(f) and that the representation in paragraph (c)(7)(i) of this provision is accurate for the small disadvantaged business concern that is participating in the joint venture. *[The Offeror shall enter the name of the small disadvantaged business concern that is participating in the joint venture:_____.]*

(d) *Representations required to implement provisions of Executive Order*

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(1) Previous contracts and compliance. The Offeror represents that--

(i) It / _/ has, / _/ has not participated in a previous contract or subcontract subject to the Equal Opportunity clause of this solicitation; and

(ii) It / _/ has, / _/ has not filed all required compliance reports.

(2) *Affirmative Action Compliance*. The Offeror represents that--

(i) It / _/ has developed and has on file, / _/ has not developed and does not have on file, at each establishment, affirmative action programs required by rules and regulations of the Secretary of Labor (41 CFR parts 60-1 and 60-2), or

(ii) It / _/ has not previously had contracts subject to the written affirmative action programs requirement of the rules and regulations of the Secretary of Labor.

(e) *Certification Regarding Payments to Influence Federal Transactions (31 U.S.C. 1352)*. (Applies only if the contract is expected to exceed \$100,000.) By submission of its offer, the Offeror certifies to the best of its knowledge and belief that no Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress on his or her behalf in connection with the award of any resultant contract.

(f) *Buy American Act--Trade Agreements--Balance of Payments Program Certificate*. (Applies only if FAR clause 52.225-9, Buy American Act--Trade Agreement--Balance of Payments Program, is included in this solicitation.)

(1) The Offeror hereby certifies that each end product, except those listed in paragraph (f)(2) of this provision, is a domestic end product (as defined in the clause entitled "Buy American Act--Trade Agreements--Balance of Payments Program") and that components of unknown origin have been considered to have been mined, produced, or manufactured outside the United States, a designated country, a North American Free Trade Agreement (NAFTA) country, or a Caribbean Basin country, as defined in section 25.401 of the Federal Acquisition Regulation.

(2) Excluded End Products:

LINE ITEM NO.

COUNTRY OF ORIGIN

(List as necessary)

(3) Offers will be evaluated by giving certain preferences to domestic end products, designated country end products, NAFTA country end products, and Caribbean Basin country end products over other end products. In order to obtain these

preferences in the evaluation of each excluded end product listed in paragraph (f)(2) of this provision, Offerors must identify and certify below those excluded end products that are designated or NAFTA country end products, or Caribbean Basin country end products. Products that are not identified and certified below will not be deemed designated country end products, NAFTA country end products, or Caribbean Basin country end products. Offerors must certify by inserting the applicable line item numbers in the following:

(i) The Offeror certifies that the following supplies qualify as "designated or NAFTA country end products" as those terms are defined in the clause entitled "Buy American Act--Trade Agreements--Balance of Payments Program":

(Insert line item numbers)

(ii) The Offeror certifies that the following supplies qualify as "Caribbean Basin country end products" as that term is defined in the clause entitled "Buy American Act--Trade Agreements--Balance of Payments Program":

(Insert line item numbers)

(4) Offers will be evaluated in accordance with FAR Part 25.

(g)(1) *Buy American Act--North American Free Trade Agreement Implementation Act--Balance of Payments Program.* (Applies only if FAR clause 52.225-21, Buy American Act--North American Free Trade Agreement Implementation Act--Balance of Payments Program, is included in this solicitation.) (i) The Offeror certifies that each end product being offered, except those listed in paragraph (g)(1)(ii) of this provision, is a domestic end product (as defined in the clause entitled "Buy American Act--North American Free Trade Agreement Implementation Act--Balance of Payments Program," and that components of unknown origin have been considered to have been mined, produced, or manufactured outside the United States.

(ii) Excluded End Products:

LINE ITEM NO.

COUNTRY OF ORIGIN

(List as necessary)

(iii) Offers will be evaluated by giving certain preferences to domestic end products or NAFTA country end products over other end products. In order to obtain

these preferences in the evaluation of each excluded end product listed in paragraph (g)(1)(ii) of this provision, Offerors must identify and certify below those excluded end products that are NAFTA country end products. Products that are not identified and certified below will not be deemed NAFTA country end products. The Offeror certifies that the following supplies qualify as "NAFTA country end products" as that term is defined in the clause entitled "Buy American Act--North American Free Trade Agreement Implementation Act--Balance of Payments Program":

(Insert line item numbers)

(iv) Offers will be evaluated in accordance with Part 25 of the Federal Acquisition Regulation. In addition, if this solicitation is for supplies for use outside the United States, an evaluation factor of 50 percent will be applied to offers of end products that are not domestic or NAFTA country end products.

(2) *Alternate I.* If Alternate I to the clause at 52.225-21 is included in this solicitation, substitute the following paragraph (g)(1)(iii) for paragraph (g)(1)(iii) of this provision:

(g)(1)(iii) Offers will be evaluated by giving certain preferences to domestic end products or Canadian end products over other end products. In order to obtain these preferences in the evaluation of each excluded end product listed in paragraph (b) of this provision, Offerors must identify and certify below those excluded end products that are Canadian end products. Products that are not identified and certified below will not be deemed Canadian end products.

The Offeror certifies that the following supplies qualify as "Canadian end products" as that term is defined in the clause entitled "Buy American Act--North American Free Trade Agreement Implementation Act--Balance of Payments Program":

[Insert line item numbers]

(h) *Certification Regarding Debarment, Suspension or Ineligibility for Award (Executive Order 12549).* The Offeror certifies, to the best of its knowledge and belief, that--

(1) The Offeror and/or any of its principals / ☐ / are, / ☐ / are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency; and

(2) / ☐ / Have, / ☐ / have not, within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a Federal, state or local government contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property; and / ☐ / are, / ☐ / are not presently indicted for, or otherwise criminally or civilly charged by a Government entity with, commission of

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any of these offenses.

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(End of Provision)

ATTACHMENTS

ATTACHMENT A: FORM 4506 (Request for Copy or Transcript of Tax Form)

Form 4506 (Rev. May 1997) Department of the Treasury Internal Revenue Service	Request for Copy or Transcript of Tax Form ► Read instructions before completing this form. ► Type or print clearly. Request may be rejected if the form is incomplete or illegible.	OMB No. 1545-0429
Note: Do not use this form to get tax account information. Instead, see instructions below.		
1a Name shown on tax form. If a joint return, enter the name shown first.		1b First social security number on tax form or employer identification number (see instructions)
2a If a joint return, spouse's name shown on tax form		2b Second social security number on tax form
3 Current name, address (including apt., room, or suite no.), city, state, and ZIP code		
4 Address, (including apt., room, or suite no.), city, state, and ZIP code shown on the last return filed if different from line 3		
5 If copy of form or a tax return transcript is to be mailed to someone else, enter the third party's name and address		
6 If we cannot find a record of your tax form and you want the payment refunded to the third party, check here <input type="checkbox"/>		
7 If name in third party's records differs from line 1a above, enter that name here (see instructions) ►		
8 Check only one box to show what you want. There is no charge for items 8a, b, and c: a <input type="checkbox"/> Tax return transcript of Form 1040 series filed during the current calendar year and the 3 prior calendar years (see instructions). b <input type="checkbox"/> Verification of nonfiling. c <input type="checkbox"/> Form(s) W-2 information (see instructions). d <input type="checkbox"/> Copy of tax form and all attachments (including Form(s) W-2, schedules, or other forms). The charge is \$23 for each period requested. Note: If these copies must be certified for court or administrative proceedings, see instructions and check here <input type="checkbox"/>		
9 If this request is to meet a requirement of one of the following, check all boxes that apply. <input type="checkbox"/> Small Business Administration <input type="checkbox"/> Department of Education <input type="checkbox"/> Department of Veterans Affairs <input type="checkbox"/> Financial institution		
10 Tax form number (Form 1040, 1040A, 941, etc.)		12 Complete only if line 8d is checked. Amount due: a Cost for each period \$ 23.00 b Number of tax periods requested on line 11 c Total cost. Multiply line 12a by line 12b. \$ Full payment must accompany your request. Make check or money order payable to "Internal Revenue Service."
11 Tax period(s) (year or period ended date). If more than four, see instructions.		
Caution: Before signing, make sure all items are complete and the form is dated. I declare that I am either the taxpayer whose name is shown on line 1a or 2a, or a person authorized to obtain the tax information requested. I am aware that based upon this form, the IRS will release the tax information requested to any party shown on line 5. The IRS has no control over what that party does with the information.		
Please Sign Here	Signature. See instructions. If other than taxpayer, attach authorization document.	Telephone number of requester ()
	Title (if line 1a above is a corporation, partnership, estate, or trust)	Best time to call
	Spouse's signature	TRY A TAX RETURN TRANSCRIPT (see line 8a instructions)
Instructions <i>Section references are to the Internal Revenue Code.</i> TIP: If you had your tax form filled in by a paid preparer, check first to see if you can get a copy from the preparer. This may save you both time and money. Purpose of Form. —Use Form 4506 to get a tax return transcript, verification that you did not file a Federal tax return, Form W-2 information, or a copy of a tax form. Allow 6 weeks after you file a tax form before you request a copy of it or a transcript. For W-2 information, wait 13 months after the end of the year in which the wages were earned. For example, wait until Feb. 1999 to request W-2 information for wages earned in 1997. Do not use this form to request Forms 1099 or tax account information. See this page for details on how to get these items. Note: Form 4506 must be received by the IRS within 60 calendar days after the date you signed and dated the request. How Long Will It Take? —You can get a tax return transcript or verification of nonfiling within 7 to 10 workdays after the IRS receives your request. It can take up to 60 calendar days to get a copy of a tax form or W-2 information. To avoid any delay, be sure to furnish all the information asked for on Form 4506. Forms 1099. —If you need a copy of a Form 1099, contact the payer. If the payer cannot help you, call or visit the IRS to get Form 1099 information. Tax Account Information. —If you need a statement of your tax account showing any later changes that you or the IRS made to the original return, request tax account information. Tax account information lists (Continued on back)		
For Privacy Act and Paperwork Reduction Act Notice, see back of form. Cat. No. 41721E Form 4506 (Rev. 5-97)		

certain items from your return, including any later changes.

To request tax account information, write or visit an IRS office or call the IRS at the number listed in your telephone directory.

If you want your tax account information sent to a third party, complete **Form 8821**, Tax Information Authorization. You may get this form by phone (call 1-800-829-3676) or on the Internet (at <http://www.irs.ustreas.gov>).

Line 1b.—Enter your employer identification number (EIN) **only** if you are requesting a copy of a **business** tax form. Otherwise, enter the first social security number (SSN) shown on the tax form.

Line 2b.—If requesting a copy or transcript of a joint tax form, enter the second SSN shown on the tax form.

Note: If you do not complete line 1b and, if applicable, line 2b, there may be a delay in processing your request.

Line 5.—If you want someone else to receive the tax form or tax return transcript (such as a CPA, an enrolled agent, a scholarship board, or a mortgage lender), enter the name and address of the individual. If we cannot find a record of your tax form, we will notify the third party directly that we cannot fill the request.

Line 7.—Enter the name of the client, student, or applicant if it is different from the name shown on line 1a. For example, the name on line 1a may be the parent of a student applying for financial aid. In this case, you would enter the student's name on line 7 so the scholarship board can associate the tax form or tax return transcript with their file.

Line 8a.—If you want a tax return transcript, check this box. Also, on line 10 enter the tax form number and on line 11 enter the tax period for which you want the transcript.

A tax return transcript is available only for returns in the 1040 Series (Form 1040, Form 1040A, 1040EZ, etc.). It shows most line items from the original return, including accompanying forms and schedules. In many cases, a transcript will meet the requirement of any lending institution such as a financial institution, the Department of Education, or the Small Business Administration. It may also be used to verify that you did not claim any itemized deductions for a residence.

Note: A tax return transcript **does not** reflect any changes you or the IRS made to the original return. If you want a statement of your tax account with the changes, see **Tax Account Information** on page 1.

Line 8b.—Check this box only if you want proof from the IRS that you did not file a return for the year. Also, on line 11 enter the tax period for which you want verification of nonfiling.

Line 8c.—If you want only Form(s) W-2 information, check this box. Also, on line 10 enter "Form(s) W-2 only" and on line 11 enter the tax period for which you want the information.

You may receive a copy of your actual Form W-2 or a transcript of the information, depending on how your employer filed the form. However, state withholding information is not shown on a transcript. If you have filed your tax return for the year the wages were earned, you can get a copy of the actual Form W-2 by requesting a complete copy of your return and paying the required fee.

Contact your employer if you have lost your current year's Form W-2 or have not received it by the time you are ready to prepare your tax return.

Note: If you are requesting information about your spouse's Form W-2, your spouse must sign Form 4506.

Line 8d.—If you want a certified copy of a tax form for court or administrative proceedings, check the box to the right of line 8d. It will take at least 60 days to process your request.

Line 11.—Enter the year(s) of the tax form or tax return transcript you want. For fiscal-year filers or requests for quarterly tax forms, enter the date the period ended; for example, 3/31/96, 6/30/96, etc. If you need more than four different tax periods, use additional Forms 4506. Tax forms filed 6 or more years ago may not be available for making copies. However, tax account information is generally still available for these periods.

Line 12c.—Write your SSN or EIN and "Form 4506 Request" on your check or money order. If we cannot fill your request, we will refund your payment.

Signature.—Requests for copies of tax forms or tax return transcripts to be sent to a third party must be signed by the person whose name is shown on line 1a or by a person authorized to receive the requested information.

Copies of tax forms or tax return transcripts for a jointly filed return may be furnished to either the husband or the wife. Only one signature is required. However, see the line 8c instructions. Sign Form 4506 exactly as your name appeared on the original tax form. If you changed your name, **also** sign your current name.

For a corporation, the signature of the president of the corporation, or any principal officer and the secretary, or the principal officer and another officer are generally required. For more details on who may obtain tax information on corporations, partnerships, estates, and trusts, see section 6103.

If you are **not** the taxpayer shown on line 1a, you must attach your authorization to receive a copy of the requested tax form or tax return transcript. You may **attach a copy of the authorization document** if the original has already been filed with the IRS. This will generally be a **power of attorney** (Form 2848), or **other authorization**, such as Form 8821, or evidence of entitlement for Title 11 Bankruptcy or Receivership Proceedings). If the taxpayer is deceased, you must send Letters Testamentary or other evidence to establish that you are authorized to act for the taxpayer's estate.

Where To File.—Mail Form 4506 with the correct total payment attached, if required, to the **Internal Revenue Service Center** for the place where you lived when the requested tax form was filed.

Note: You must use a separate form for each service center from which you are requesting a copy of your tax form or tax return transcript.

If you lived in:	Use this address:
New Jersey, New York (New York City and counties of Nassau, Rockland, Suffolk, and Westchester)	1040 Waverly Ave. Photocopy Unit Stop 532 Holtsville, NY 11742
New York (all other counties), Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont	310 Lowell St. Photocopy Unit Stop 679 Andover, MA 01810
Florida, Georgia, South Carolina	4800 Buford Hwy. Photocopy Unit Stop 91 Doraville, GA 30362

Indiana, Kentucky, Michigan, Ohio, West Virginia	P.O. Box 145500 Photocopy Unit Stop 521 Cincinnati, OH 45250
Kansas, New Mexico, Oklahoma, Texas	3651 South Interregional Hwy. Photocopy Unit Stop 6716 Austin, TX 73301
Alaska, Arizona, California (counties of Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Glenn, Humboldt, Lake, Lassen, Marin, Mendocino, Modoc, Napa, Nevada, Placer, Plumas, Sacramento, San Joaquin, Shasta, Sierra, Siskiyou, Solano, Sonoma, Sutter, Tehama, Trinity, Yolo, and Yuba), Colorado, Idaho, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming	P.O. Box 9941 Photocopy Unit Stop 6734 Ogden, UT 84409
California (all other counties), Hawaii	5045 E. Butler Avenue Photocopy Unit Stop 52180 Fresno, CA 93888
Illinois, Iowa, Minnesota, Missouri, Wisconsin	2306 E. Bannister Road Photocopy Unit Stop 6700, Annex 1 Kansas City, MO 64999
Alabama, Arkansas, Louisiana, Mississippi, North Carolina, Tennessee	P.O. Box 30309 Photocopy Unit Stop 46 Memphis, TN 38130
Delaware, District of Columbia, Maryland, Pennsylvania, Virginia, a foreign country, or A.P.O. or F.P.O. address	11601 Roosevelt Blvd. Photocopy Unit DP 536 Philadelphia, PA 19255

Privacy Act and Paperwork Reduction Act Notice.—We ask for the information on this form to establish your right to gain access to your tax form or transcript under the Internal Revenue Code, including sections 6103 and 6109. We need it to gain access to your tax form or transcript in our files and properly respond to your request. If you do not furnish the information, we will not be able to fill your request. We may give the information to the Department of Justice or other appropriate law enforcement official, as provided by law.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is: **Recordkeeping**, 13 min.; **Learning about the law or the form**, 7 min.; **Preparing the form**, 26 min.; and **Copying, assembling, and sending the form to the IRS**, 17 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Tax Forms Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001. **DO NOT** send the form to this address. Instead, see **Where To File** on this page.



ATTACHMENT B: STATUS REPORT

I. SURVEY RESPONDENTS

The survey required by the IRS as a condition for participation in the ETDS pilot focuses on four distinct positions within the client hierarchy. Specifically they are:

- a) Technician – an individual who sets up the hardware and software needed to use ETDS
- b) Dispatcher – an individual (trained) who accesses ETDS to transmit requests and receive responses
- c) Agent – an individual (trained) who completes the ETDS request form
- d) Manager – an individual who makes policy decisions (likely to be at the Vice President level)

DESIRED INFORMATION

The following lists detail the information the IRS is seeking to capture from each of the position categories identified above:

a) Technician:

- 1. Hardware installation problems (Secure Dial-In, signature tablet)
- 2. Software installation problems (Z-modem, PenOp enabled JetForm)
- 3. Effectiveness of technical instruction guide
- 4. Effectiveness of IRS help desk support
- 5. Comments on ETDS design
- 6. Improvement suggestions

b) Dispatcher:

- 1. Effectiveness of training session
- 2. Effectiveness of IRS key management facility
- 3. Problems using Secure Dial-In
- 4. Problems getting and maintaining access to ETDS host system
- 5. Application response time
- 6. Timeliness of response availability
- 7. Understanding and resolving rejects

8. Effectiveness of instruction guide
9. Effectiveness of IRS help desk support
10. Comments on ETDS design
11. Improvement suggestions

c) Agent:

1. Effectiveness of training session
2. Taxpayer reaction to technology
3. Application response time
4. Understanding and resolving rejects
5. Effectiveness of instruction guide
6. Effectiveness of IRS help desk support
7. Comments on ETDS design
8. Improvement suggestions

d) Manager:

1. Adequacy of data provided
2. Impact on corporate mission
3. Fit with corporate operating procedures
4. Costs
5. Benefits
6. Acceptance of third-party ground rules
7. Corporate satisfaction (would use production version)
8. Effectiveness of IRS as partner
9. Comments on ETDS design
10. Improvement suggestions

ATTACHMENT C: LOCATIONS OF HARDWARE AND SOFTWARE

NOTE: This list shall include all of the Contractor's systems environment (i.e., hardware, software, network and security mechanisms) on which ETDS information will be housed.

CONTRACTOR	NAME OF EMPLOYEE	HARDWARE	SOFTWARE	DATE

ATTACHMENT D (STATISTICAL DATA ON DISCREPANCIES ON INCOME REPORTING)

STATISICAL DATA ON DISCREPANCIES ON INCOME REPORTING

TOTAL VOLUMES OF ETDS FORMS PROCESSED DURING THE PILOT: _____

Out of the totals above, record the number (volume) of discrepancies between income reported by the taxpayer versus income verified by the IRS. Separate the volumes by range of discrepancies reported as defined in Column 1:

Discrepancies of Income Reported By Taxpayers Versus Income Returned Via ETDS Form	Number of Discrepancy Reports	Number of Applications Declined
Less Than \$ 5,000		
\$ 5,001 to \$10,000		
\$10,001 to \$15,000		
\$15,001 to \$20,000		
\$20,001+		
TOTALS		

EXAMPLE:

TOTAL VOLUMES OF ETDS FORMS PROCESSED DURING THE PILOT: 43,297

Out of the totals above, record the number (volume) of discrepancies between income reported by the taxpayer versus income verified by the IRS. Separate the volumes by range of discrepancies reported as defined in Column 1:

Discrepancies of Income Reported By Taxpayers Versus Income Returned Via ETDS Form	Number of Discrepancy Reports	Number of Applications Declined
Less Than \$ 5,000	1000	100
\$ 5,001 to \$10,000	565	56
\$10,001 to \$15,000	232	23
\$15,001 to \$20,000	177	17
\$20,001+	18	2
TOTALS	1992	198

ATTACHMENT E: TAXPAYER NOTICE PRIOR TO USING ETDS FORM

PRIVACY NOTICE

ELECTRONIC TRANSCRIPT DELIVERY SYSTEM

The IRS is testing a new system for processing the forms taxpayers sign to authorize release of their tax information to an entity of their choosing. This electronic process will substitute for the paper form [Form 4506] you normally would complete which gives IRS permission to provide income verification services to the entity you designate (for example, a mortgage lender). By electronically signing, you electronically authorize the disclosure of certain of your tax return information. The pilot is expected to accelerate the application and approval process you have undertaken.

There are a few things you should know before you participate in this program:

First, the electronic method is **strictly voluntary**. If, after reading this sheet, you feel more comfortable using paper Form 4506 (and having the request for your tax information processed manually), you may. However, your designated recipient may take longer to process your paper application.

- Second, the disclosure of your tax information is **not** a requirement of the IRS; the disclosure of your tax information is requested (or required) by a separate entity with whom you have entered into an arrangement. If you decide to authorize the IRS to release your tax information by signing either the electronic or paper form, we will honor your request as expeditiously as possible.
- Third, by electronically signing, the IRS will be electronically “*capturing*” your signature. The IRS can use your electronic signature **only with this form**. The IRS will be not separate your electronic signature from this form or use your signature for any other purpose. Your electronic signature will only be accessible to internal IRS personnel for the purpose of fulfilling your request for this particular disclosure.
- Fourth, once you have electronically signed, the electronic form is transmitted to the IRS Service Center in Fresno, California, for processing. Our goal is to achieve a 24-hour turn-around for processing these forms. Your electronic authorization and this form will be stored in a separate, highly-secured area for seven years. Our obligation to protect your tax data,

including your electronic signature, is taken very seriously.

- Fifth, you should be aware that once you authorize the IRS to release your tax information to an designated third party, the IRS currently has no authority to restrict or regulate the use or further disclosure of the tax information by such entity to others. Within the scope of the contract for this pilot, the IRS requires the third parties to adhere to stringent safeguards in protecting your tax data; however, the IRS cannot monitor each taxpayer-directed release of informatioin.
- Finally, by electing this electronic method of authorizing the IRS to release your tax information, the designated third party will be receiving much less information than it would have been given through the paper authorization form.

ATTACHMENT F: HARDWARE AND SOFTWARE REQUIREMENTS

Hardware

ETDS requires, at a minimum, the following hardware:

PC	Minimum Peripherals
Intel 486 (or clone) personal computer which is Y2K compliant	8+ MB memory
	40MB free disk storage
	Two (2) free serial ports may be required if computer is to be used for both preparing and transmitting requests to ETDS. One (1) port is for an external digitizing signature pad (preparing requests) and the second port will accommodate the external modem/encryption device (transmitting requests)
	External Modem
	Printer (for hard copy of return information)
	Monitor
	Digital signature pad for signature capture
	Keyboard and pointing device or mouse
	Encryption box and Smartcard

NOTE: Prior to training, you will receive a list of digital signature pads which are compatible with PenOp software. An updated list is available at <http://www.penop.com>

These are the *minimum* requirements established during the design phase of the ETDS pilot. In testing and demonstrating the system, however, a more powerful workstation was proven preferable. An upgrade in hardware produces shorter wait states and faster processing. Currently, the application is being run on an entry-level workstation configured as follows:

166 MHz Intel Pentium (or clone) with:

- Thirty-two (32) MB memory
- Forty (40) MB free disk storage
- Two (2) free serial ports may be required. One port is for an external digitizing signature pad. The second will accommodate the external modem/Encryption devices
- Printer

- Monitor
- Keyboard and pointing device or mouse
- Digital signature pad for signature capture
- Encryption box and SmartCard

The faster processor increases the operational speed of the system. The increase in memory allows for more windows to be opened simultaneously and requires less reliance on slower, virtual memory. Disk storage requirements remain the same; this is the size required to accommodate the application. Storage requirements for saved requests and/or responses are in addition to this specification.

ETDS uses an encryption device to establish a communication session with the IRS. This device is configured as follows:

- A nine (9) pin female serial connector is used to connect the encryption device to a serial port on the workstation
- A six (6) pin mini-din (PS2) male connector is used to connect the encryption device to the computer's keyboard port. This is the power source for the encryption device.
- A six (6) pin mini-din (PS2) female connector (on the back side of the encryption device six [6] pin mini-din [PS2] male connector) allows the keyboard to be connected to the computer
- Cables on the encryption device are relatively short (approximately five [5] inches). Adapters and cable extensions may be required, depending on the configuration of the workstation.

A printer is required for a hardcopy image of the ETDS response Form 4506. A printer is not a requirement of the IRS to either submit or receive ETDS files. Printer drivers and requirements are site-specific and will be addressed as the Contractors are trained.

A monitor, or laptop screen, is required to view the forms image and electronic signature prompt.

A keyboard is required for completion of the ETDS forms and access to the IRS computers. A mouse is typically used for a pointing device in a Microsoft (MS) Windows environment. That requirement may be satisfied, however, by using a stylus with a digitizing pad, or with a pen-sensitive screen. Trackballs or other similar devices may be used at the discretion of the user.

Several digitizing pads and pen-sensitive screens have been tested and proven effective when used in connection with ETDS' PenOp signature capture software. A list of tested devices is available at the following website: <http://www.penop.com/digitize.htm>.

For the Contractors, the encryption device and SmartCards will be provided by the IRS at the time of training.

Software

All of the following software is required to operate in the ETDS environment:

One of the following Y2K-compliant Versions of:	DOS 6.0 + and Windows 3.x or Windows NT or Windows 95
Encryption software supplied by IRE	
ETDS Software supplied by IRS (JetForm and PenOp)	
Z-modem file transfer protocol and VT100 terminal emulation (it is recommended that this software support batch Z-modem transfers) Communications software that supports Z-modem file transfer protocol (FTP) and VT100 terminal emulation (it is also recommended that this software support batch Z-modem transfers)	

Other Requirements

ETDS also requires:

Smartcard
Digitized signature capture license number (cost \$100). Specify that the license is for the ETDS pilot.
To obtain the license, contact PenOp, Inc., at the following address: PenOp, Incorporated 1212 Avenue of the Americas 18 th Floor New York, New York 10036 Phone: (212) 997-8800 Facsimile: (212) 997-8810 e-mail: info@penop.com
Signature capture license number Contact for this software is PenOp, Incorporated, One Penn Plaza, suite 2407, New York, New York 10119; Phone (212) 244-3667; Fax (212) 244-1646;

e-mail info@penop.com . Participant(s) will be provided with this software.

The ETDS forms and signature capture software runs in a Microsoft Windows environment. Within this constraint, it is capable of running under Windows 3.x, Windows 95, and Windows NT.

The communications software used by the Participant(s) for ETDS is site specific. In as much as organizations may have standardized on specific communications software, the pilot has only one requirement, which is that the software support a Z-modem protocol.

The IRS will supply the electronic forms software required to capture request information, accept a taxpayer's signature and view IRS responses. This software is conveyed on six diskettes for JetForm Installation, and one diskette for the ETDS forms and PenOp View/Installation. The software will also be available on CD-ROM. The JetForm software is supplied without cost to the ETDS pilot users. The IRS has a license for a specific number of copies of PenOp-enabled JetForm Filler Pro, and ETDS users are expected to abide by agreements for software distribution. The diskettes will include a README file containing setup/installation procedures.

Installation procedures for digitizing pad drivers, and other software specific to an individual's environment, is outside the scope of this document.

ATTACHMENT G: COMMERCIAL ITEMS

Definition of "Commercial Item"

FAR 2. 101 Definitions

"Commercial item" means (a) Any item, other than real property, that is of a type customarily used for non-governmental purposes and that (1) Has been sold, leased, or licensed to the general public; or (2) Has been offered to sale, lease, or license to the general public (b) Any item that evolved from an item described in paragraph (a) of this definition through advances in technology or performance and that is not yet available in the commercial marketplace, but will be available in the commercial marketplace in time to satisfy the delivery requirements under a Government solicitation; (c) Any item that would satisfy a criterion expressed in paragraphs (a) or (b) of this definition, but for

(1) Modifications of a type customarily available in the commercial marketplace; or (2) Minor modifications of a type not customarily available in the commercial marketplace made to meet Federal Government requirements. Minor modifications means modifications that do not significantly alter the non-governmental function or essential physical characteristics of an item or component, or change the purpose of a process. Factors to be considered in determining whether a modification is minor include the value and size of the modification and the comparative value and size of the final product. Dollar values and percentages may be used as guideposts, but are not conclusive evidence that a modification is minor; (d) Any combination of items meeting the requirements of paragraphs (a), (b), (c), or (e) of this definition that are of a type customarily combined and sold in combination to the general public; (e)

Installation services, maintenance services, repair services, training services, and other services if such services are procured for support of an item referred to in paragraphs (a), (b), (c), or (d) of this definition, and if the source of such services

(1) Offers such services to the general public and the Federal Government contemporaneously and under similar terms and conditions; and (2) Offers to use the same work force for providing the Federal Government with such services as the source uses for providing such services to the general public; (f) Services of a type offered and sold competitively in substantial quantities in the commercial marketplace based on established catalog or market prices for specific tasks performed under standard commercial terms and conditions. This does not include services that are sold based on hourly rates without an established catalog or market price for a specific

service performed; (g) Any item, combination of items, or service referred to in paragraphs (a) through (f), notwithstanding the fact that the item, combination of items, or service is transferred between or among separate divisions, subsidiaries, or affiliates of a Contractor; or (h) A non-developmental item, if the procuring agency determines the item was developed exclusively at private expense and sold in substantial quantities, on a competitive basis, to multiple State and local governments.

"Non-developmental item" means (a) Any previously developed item of supply used exclusively for governmental purposes by a Federal agency, a State or local government, or a foreign government with which the United States has a mutual defense cooperation agreement; (b) Any item described in paragraph (a) of this definition that requires only minor modification or modifications of a type customarily available in the commercial marketplace in order to meet the requirements of the procuring department or agency; or (c) Any item of supply being produced that does not meet the requirements of paragraphs (a) or (b) solely because the item is not yet in use."